

APPEARANCES

COMMISSIONERS

Keith Brackpool, Chairperson

David Israel, Vice Chairperson

Jesse H. Choper

Jerry Moss

Bo Derek

STAFF

Kirk Breed, Executive Director

Robert Miller, Staff Counsel

Jacqueline Wagner, Regulations/Legislation Manager

Dr. Rick Arthur, Equine Medical Director

Bon Smith

Mike Marten

ALSO PRESENT

Douglas Kempt, Local 280

Ron Caswell

Jerry Jamgotchian

Laura Rosier, San Luis Rey Downs

Madeline Auerbach

Frank DeMarco, Santa Anita Race Track, General Counsel

Carlo Fisco, CTT

Karen Klawitter, Southern California Equine Foundation

Dan Schiffer

APPEARANCES (CONT.)

ALSO PRESENT

John Bucalo, Barona Casino and Resort

Barry Broad, Jockey's Guild

Scott Daruty, MI Developments

George Haines, Santa Anita

Alan Balch, CTT

Jack Liebau, Hollywood Park

Chris Korby, CARF

Robert Hartman, Golden Gate Fields

Stuart Titus, Humboldt County Fair

Guy Lamothe, TOC

Mike Harlow, Santa Anita

Dave Elliott, Cal Expo

Rick English, Los Alamitos

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16. Discussion and action by the Board on the Application 117
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18. Closed Session: For the purpose of receiving advice 129
from counsel, considering pending litigation, reaching
decisions on administrative licensing and disciplinary
hearings, and personal matters, as authorized by section
1126 of the Government Code.
 - A. The Board may convene a Closed Session to confer
with and receive advice from counsel, considering
pending litigation described in the attachment to
the agenda captioned "Pending Litigation," as
authorized by Government Code section 11126(e).
 - B. The Board may convene a Closed Session to confer
with and receive advice from its legal counsel
regarding the pending administrative licensing or
disciplinary matters described in the attachment to
this agenda captioned "Pending Administrative
Adjudications," as authorized by Government Code
section 11126(e).

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PROCEEDINGS BEGIN AT 9:41 A.M.

(The meeting was called to order at 9:41 a.m.)

MR. BREED: Ladies and Gentlemen, this meeting of the California Horse Racing Board will come to order. Please take your seats. This is the regular noticed meeting of the California Horse Racing Board on Tuesday, November 9, 2010 at Hollywood Park Race Track, 1050 South Prairie Avenue, Inglewood, California.

Present at today's meeting are: Keith Brackpool, Chairman; David Israel, Vice Chairman; Jesse Choper, Commissioner; Bo Derek, Commissioner; Jerry Moss, Commissioner; and Richard Rosenberg, Commissioner.

Before we go into the business of the meeting I need to make a few comments. The Board invites public comment on the matters appearing on the meeting agenda. The Board also invites comments from those present today on matters not appearing on the agenda during a public comment period if the matter concerns horse racing in California.

In order to ensure all individuals have an opportunity to speak and the meeting proceeds in a timely fashion I will strictly enforce the three minute time limit rule for each speaker. The three minute time limit will be enforced during discussion of all matters on -- stated on the agenda, as well as during the public comment period.

There is a public comment sign-in sheet for each

1 agenda matter on which the Board invites comments. Also, there
2 is a sign-in sheet for those wishing to speak during the public
3 comment period for matters not on the Board's agenda if it
4 concerns horse racing in California. Please print your name
5 legibly on the public comment sign-in sheet.

6 When a matter is open for public comment your name
7 will be called. Please come to the podium and introduce
8 yourself by stating your name and organization clearly. This
9 is necessary for the court recorder to have a clear record of
10 all who speak. When your three minutes are up the chairman
11 will ask you to return to your seat so others can be heard.
12 When all the names have been called the chairman will ask if
13 there is anyone else who would like to speak on the matter
14 before the Board.

15 Also, the Board may ask questions of individuals who
16 speak. If a speaker repeats himself or herself the chairman
17 will ask if the speaker has any new comments to make. If there
18 are none the speaker will be asked to let others make comments
19 to the Board.

20 One other -- one little announcement here. To those
21 listening to our meeting over the webcast, we are experimenting
22 with new software today which allows people to listen over
23 their iPads, iPhones and similar portable devices. If things
24 go smoothly today we will intend to make this a permanent
25 feature of our webcast.

1 Mr. Chairman?

2 CHAIRPERSON BRACKPOOL: Thank you. Good morning,
3 everybody. Just before I start this meeting I'm going to ask
4 my own indulgence to recognize, and I'd like you all to
5 recognize, our fellow Commissioner and great sportsman Jerry
6 Moss for this wonderful, wonderful campaign. There are no
7 words to express what that mare has meant to this sport this
8 year. There are no words that I can think of that I can thank
9 Jerry enough on behalf of this wonderful sport for what he has
10 been able to do, he and Annie, for bringing this wonderful,
11 wonderful, wonderful mare back to race again. All of us who
12 have seen her have been privileged, and it's something that I
13 know I'll never forget. So thank you again, Jerry. Thank you.

14 COMMISSIONER MOSS: You're welcome.

15 CHAIRPERSON BRACKPOOL: Okay. On with the -- the
16 meeting. Good morning, everybody. Let's get started. We've
17 got a lot to get through today, so I'm going to be really tight
18 on these agenda items as we move forward.

19 First of all, we have two sets of minutes to approve.
20 Item number one is approval of the minutes of September 23rd --

21 VICE CHAIR ISRAEL: Moved.

22 CHAIRPERSON BRACKPOOL: -- 2010.

23 VICE CHAIR ISRAEL: Moved.

24 CHAIRPERSON BRACKPOOL: Any comments? The only
25 comment is Vice Chair Israel who wishes to move the motion to

1 approve the minutes.

2 COMMISSIONER ROSENBERG: Second.

3 CHAIRPERSON BRACKPOOL: Commissioner Rosenberg
4 seconds. All in favor?

5 ALL COMMISSIONERS: Aye.

6 CHAIRPERSON BRACKPOOL: Minutes approved.

7 Item number two is the approval of the -- the
8 previous minutes, the meeting of September the 10th, 2010. Any
9 comments? None. May I have a motion to approve those?

10 VICE CHAIR ISRAEL: You're turn.

11 COMMISSIONER CHOPER: Move.

12 CHAIRPERSON BRACKPOOL: Commissioner Choper moves to
13 approve.

14 COMMISSIONER DEREK: Second.

15 CHAIRPERSON BRACKPOOL: Commissioner Derek seconds.

16 And all in favor?

17 ALL COMMISSIONERS: Aye.

18 CHAIRPERSON BRACKPOOL: Okay. Moving on, item number
19 three, we have several speakers in the public comment period.
20 The first speaker who has requested -- and if anyone else
21 wishes please, please, we have to have cards today in order to
22 get through this heavy agenda. We can't be having freewheeling
23 from the floor.

24 Our first speaker is Douglas Kempt from Local 280.

25 MR. KEMPT: Thank you, Mr. Chairman, Members of the

1 Board. I am -- my name is Douglas Kempt. I represent Local
2 280, but I -- I speak today as -- as, hopefully, a groundswell
3 of enthusiasm and -- and hope for this state and racing as we
4 go forward.

5 I, too, would like to congratulate Mr. Moss, and
6 that's the -- the gist of my talk today. I do believe that
7 this mare is -- is the best horse I've ever seen. But
8 something disturbed me beyond anything I can remember in recent
9 times, and that is as soon as the race was over, and I truly
10 believe she ran the race of her life, only in defeat,
11 immediately the -- the media began saying that Blame is now
12 cemented as the horse of the year.

13 I believe that -- that we in this industry, in this
14 State of California, in today's times, all the marketing
15 groups, all the groups that we've gotten together to try to
16 help horse racing, nobody has helped horse racing more than
17 this mare in the last three years. And if that doesn't make
18 her the horse of the year then -- then that means that racing
19 in California on a national level doesn't matter anymore, and I
20 think that's wrong.

21 And I would implore everybody in this room however
22 you communicate, whether it's by email, whether it's by
23 standing in front of a microphone, if it's sending a newsletter
24 to your members, get on the phone, get a hold of the Turf
25 Writers of America and let them know that racing in California

1 does matter, and let them know, take five or ten minutes out of
2 your day, let them know that this mare is not only the horse of
3 the year but I'm sure it's the horse of a lifetime for many
4 people that are in this room.

5 Let's make California racing matter. Pick up the
6 phone. Get a hold of these national turf writers and let them
7 know that Zenyatta is the horse of the year.

8 COMMISSIONER MOSS: Thank you.

9 MR. KEMPT: And I thank you very much for your time.

10 CHAIRPERSON BRACKPOOL: Thank you. Thank you.

11 COMMISSIONER MOSS: Thank you very much. Thank you.

12 CHAIRPERSON BRACKPOOL: Next speaker is Ron Caswell.

13 MR. CASWELL: Good morning.

14 CHAIRPERSON BRACKPOOL: Good morning.

15 MR. CASWELL: Some of you know me, some of you don't,
16 because of the change in the composition of the Board. I am
17 the attorney for Jerry Caswell (sic) -- for Jerry Jamgotchian,
18 and I've been involved in a number of lawsuits with the CHRB
19 and with matters pertaining to horse racing. So I -- I knew
20 about the meeting today and I decided to come to address some
21 things that concern me.

22 The CHRB was founded on the government public policy
23 of openness in government, but lately there just hasn't been
24 very much openness. We just successfully prosecuted a lawsuit
25 against the CHRB because it had an underground regulation which

1 was mistakenly enacted by Executive Director Breed. An
2 underground regulation is a regulation that affects the
3 procedures of a rule or a regulation that applies to horse
4 racing. In this particular case it was about Rule 1546,
5 Complaints Against Racing Stewards.

6 The Administrative Procedures Act applies to pretty
7 much everything that the CHRB does. And in this particular
8 case the Administrative Procedures Act wasn't followed, and
9 it -- it's not that complicated. You have a regulation. And
10 the cases say if it looks like a regulation and it sounds like
11 a regulation it's a regulation. If there's any question
12 whether the APA applies you have to apply the APA.

13 And in conjunction with that we've got another matter
14 now that we're moving forward with against the TOC. The TOC is
15 required to comply with rules that govern mutual benefit
16 corporations to produce documents and to allow its members to
17 go and inspect its records. Yet when we tried to do an
18 inspection of the records we were blocked and given nonsense
19 about how we couldn't do it. And then we were told we couldn't
20 copy records, even though by statute we're permitted to do
21 this.

22 So I'm here today because my concern is that I think
23 for the benefit of horse racing we really need to make
24 government more transparent. I think that when there's a 1546
25 complaint against a steward who is biased against many people

1 on this Board who said to many people freely and openly that
2 she thought that there were groups of trainers who she referred
3 to as cheaters, how does a person who is admittedly biased
4 against a lot of the licensees become a steward? How can they
5 presumptively get a fair ruling? What if somebody from her
6 family has a horse that's racing and it bumps a horse of one of
7 the so-called cheaters? You're not going to get a fair ruling
8 if that woman is on the panel.

9 So I'm here today to just address that issue and to
10 ask you to consider that when rules are enacted they need to be
11 followed. When there's a custom and practice that you have
12 with hearings, please follow it. If you want to change your
13 rules, please follow the Administrative Procedures Act. It
14 sets forth what needs to be done. And typically in my past
15 coming here you always followed it, except for this one
16 example. Please set up a process where there's a recusal
17 process where a trainer can say, before a race, we've got
18 somebody who is presumptively biased.

19 I see my time is up. I thank you for your
20 consideration and I hope that we could make things a little bit
21 better. Thank you.

22 CHAIRPERSON BRACKPOOL: Thank you. Next speaker is
23 Jerry Jamgotchian.

24 MR. JAMGOTCHIAN: Mr. Chairman and Members of the
25 CHRB, I'm here to disclose the latest lawsuit to California

1 horse racing, and it's the TOC. I provided you with a copy in
2 the email yesterday, a misappropriation of TOC statutory funds
3 in violation of various Business and Professions Code. I
4 presented a copy to Mr. Breed so this organization can review
5 just what's happening at the TOC.

6 In the package -- well, I've given a copy to other
7 people so I'm going to refer to it. In page one was the notice
8 to Kirk Breed about the misappropriation of TOC funds. Page
9 two is Mr. Miller's statement that we should meet with Mr.
10 Breed and provide him with the information, which we have done.
11 Three is the rules with regards to these two sections that --
12 that -- this misappropriation that Mr. Miller requested,
13 19613.05.

14 I might say, if somebody wants to see this they can
15 email me. It's Jammer-, J-a-m-m-e-r, 999@aol.com, and I'll
16 provide them this information.

17 This -- the -- the TOC is required to provide a
18 report to the Board with regards to expenditures out of a
19 marketing fund. That's 19613.05. I'm sure that has not been
20 done. If it has I'd like to see a copy of it.

21 Additionally, the TOC is really nothing more than an
22 organization that negotiates purse agreements and other
23 agreements, and they're not allowed to make such things as
24 political contributions, and we'll get into that.

25 In 2006 the TOC received \$453,000 in one check from

1 the NTRA. And then in January of -- of '07 the received
2 another \$683,000, totaling \$1,167,022. Instead of giving this
3 money to the race tracks or providing it as purses the -- the
4 TOC created an illegal secret account called the Non-Pari-
5 Mutual Business Account where this money was then wasted on
6 consultants like CEO Guy Lamothe who took \$15,000 from this
7 fund. Additionally, there was \$371,000 spent for investment
8 banking, \$168,000 for legal fees, \$25,000 for tribal advisors,
9 and \$100,000 for political contributions.

10 This certainly seems like this pari-mutual funds,
11 which is essentially money taken from the wagering public and
12 the -- and the horse owners, as well as the race tracks, is
13 pretty unacceptable conduct that I hope the CHRB will look
14 into.

15 Additionally, the profit -- or the loss from the Non-
16 Pari-Mutual Fund in 2010 totaled \$733,796. As I stated
17 earlier, Mr. Lamothe took \$15,000 as a consultant. Also
18 another TOC director --

19 MR. BREED: Jamgotchian, your time is up. Thank you.

20 MR. JAMGOTCHIAN: Okay. Thank you.

21 CHAIRPERSON BRACKPOOL: Thank you. Kirk, in the
22 future as a courtesy to the speakers, let's give them a 30
23 second warning, two-and-a-half minutes so that they can
24 summarize their point, rather than cut somebody off, I think,
25 just mid-sentence I think would be a fair way to do it.

1 MR. BREED: Okay.

2 CHAIRPERSON BRACKPOOL: Next speaker is Laura Rosier
3 from San Luis Rey Downs.

4 VICE CHAIR ISRAEL: Why don't you sit down so you
5 can -- you don't have to mess around with the microphone.

6 MS. ROSIER: Sorry. Thank you. Last time I came up,
7 but I didn't want to do it again. My name is Laura Rosier from
8 San Luis Rey Downs. Good morning, Board Members.

9 San Luis Rey Downs is the only licensed facility in
10 Southern California that is not receiving stall funding while
11 providing horses that contribute to the fund. In 2001 this
12 Board agreed that San Luis Rey Downs was deserving of stabling
13 funds equal to other horsemen in the industry. Since that time
14 we have been funded.

15 In 2009 SCOTWINC announced a shortage of funds. At
16 the end of 2009 San Luis Rey Downs and Fairplex both lost their
17 funding. Fairplex closed their doors and stopped providing
18 horses that contributed to the fund. In spite of the loss of
19 funding San Luis Rey Downs remained open and continues to
20 contribute to the fund. They closed their doors, stopped
21 contributing. We kept our doors open and have continued and
22 are contributing.

23 Data has shown that San Luis Rey Downs is a valuable
24 asset to California racing. The TOC spring 2009 magazine
25 reads,

1 "As part of the effort to assess long-term solutions TOC
2 has been gathering information to enable consideration of
3 key operating and productive matrix, such as data included
4 in Table 2. What the data suggest is that while Fairplex
5 has reported higher occupancy than San Luis Rey Downs it
6 has not translated into greater racing productivity or
7 cost efficiency. For example, in 2008 San Luis Rey Downs
8 produced over twice the starts per occupied stall, as
9 compared to Fairplex, at half the cost per start."

10 At the August 20th SCOTWINC meeting we were told that
11 the then closed Fairplex track would be reopened and awarded
12 full funding. San Luis Rey Downs, an active contributor the
13 fund, would receive nothing. Nothing. The decision by
14 SCOTWINC spurred on a consensus that Fairplex would remain open
15 in the future and San Luis Rey Downs, and active contributor to
16 the fund, would have to close due to the unfair advantage
17 created by SCOTWINC for Fairplex.

18 We would like to make it clear that we are not
19 planning to close. We are worthy contributors in the SCOTWINC
20 program and ask for equal funding. Today we ask that this
21 Board direct SCOTWINC to retroactively distribute back to
22 March --

23 MR. BREED: Laura, you have 30 seconds.

24 MS. ROSIER: -- okay -- back to March 16th, '10
25 through the end of October 2010 the sum of \$4,600 per day.

1 This distributed fund will be used to reimburse our horsemen
2 for stall costs back to March 16th, '10 and cover our
3 incremental stall costs during this time period. We only seek
4 what is fair and just for our horsemen and equal treatment
5 under SCOTWINC funding.

6 CHAIRPERSON BRACKPOOL: Thank you.

7 MS. ROSIER: Thank you.

8 CHAIRPERSON BRACKPOOL: Thank you.

9 COMMISSIONER ROSENBERG: This was mentioned in the
10 prior minutes. And I think Commissioner Moss raised an issue
11 on that about it, and we decided to put it on a future
12 agenda --

13 CHAIRPERSON BRACKPOOL: We did --

14 COMMISSIONER ROSENBERG: -- at some time.

15 CHAIRPERSON BRACKPOOL: We were trying to have it on
16 the December agenda. There's some background work being done.

17 COMMISSIONER ROSENBERG: But could someone send the
18 letter out that they were supposed to send to the Commissioners
19 that was sent by the -- by -- that Commissioner Moss referred
20 to in the minutes. There was a letter that was not circulated
21 to us. I know we have -- supposedly have no jurisdiction to do
22 anything but I'd like it, just so we know what it's all about.

23 MR. BREED: I'll check and see.

24 CHAIRPERSON BRACKPOOL: Please check and see.

25 COMMISSIONER MOSS: Whatever it was. I don't know if

1 I still have that letter.

2 CHAIRPERSON BRACKPOOL: Okay.

3 COMMISSIONER ROSENBERG: Yeah.

4 CHAIRPERSON BRACKPOOL: Thank you.

5 VICE CHAIR ISRAEL: Have Mike get it sent out.

6 MR. MARTEN: I can -- I've got it.

7 CHAIRPERSON BRACKPOOL: Please. Thank you. Make
8 sure it's copied to all the Commissioners, Mike. Thank you.

9 Next speaker, Madeline Auerbach. Thank you, Laura.

10 MS. AUERBACH: Can you hear me?

11 CHAIRPERSON BRACKPOOL: I can.

12 VICE CHAIR ISRAEL: We can.

13 MS. AUERBACH: I just want to -- I don't know. I'd
14 like to talk to Jerry more than anybody and just, once again,
15 reiterate what everybody else has said and say thank you for
16 sharing her, for making her a part of our lives, and for the
17 greatest thoroughbred I think that has ever walked the planet.
18 I just wanted to say that I think that we all feel that way and
19 thank you, Jerry.

20 I also wanted just to comment for a minute on -- on a
21 lot of Monday morning quarterbacking that goes on here. We all
22 have a right to comment on the performance of others. We all
23 have a right to express our views. I would urge the CHRB, if
24 they take any of these things seriously, especially in
25 reference to the TOC, I found it reprehensible to attack people

1 for earning a living. I find it reprehensible for people being
2 attacked for doing what they feel is in the best interest of
3 the sport. And I find it reprehensible that we spend a lot of
4 time and effort fighting one another, rather than all joining
5 together in trying to figure out a way to make it better. And
6 that's all I wish to say. Thank you.

7 CHAIRPERSON BRACKPOOL: Thank you, Madeline. No
8 further speakers. That concludes the public comment period.

9 Moving on to item --

10 COMMISSIONER CHOPER: I have --

11 CHAIRPERSON BRACKPOOL: Oh, sorry.

12 COMMISSIONER CHOPER: I have a little question.

13 CHAIRPERSON BRACKPOOL: Please, Commissioner Choper.

14 COMMISSIONER CHOPER: This is off the public comment.

15 But I was reading -- in fact, I always take a look at our cap,
16 I guess. I notice a quarter of the fiscal year has gone by
17 and -- which would, if you took a quarter of the appropriation,
18 we're a \$1 million spending less. Now is that the product of
19 the seasons or is that just good budgeting or -- or what? I'm
20 curious about that, and I think other people might be, too,
21 since we've got so many contributors here. Do you know?

22 MR. BREED: Bon -- Bon is -- since this is Bon's last
23 meeting, by the way, I -- I -- I think it apropos that -- he is
24 retiring -- I think it apropos that he comment on this item.

25 CHAIRPERSON BRACKPOOL: Right.

1 VICE CHAIR ISRAEL: And yet another savings he's got
2 coming.

3 MR. BREED: Yeah.

4 MR. SMITH: I am not retiring because I have pocketed
5 an extra quarter of the first quarter's --

6 CHAIRPERSON BRACKPOOL: Executive Director --
7 Assistant Executive Director Bon Smith.

8 MR. SMITH: Thank you for the introduction.

9 CHAIRPERSON BRACKPOOL: Move it along.

10 MR. SMITH: I understand. Relative to our
11 expenditures to date, Commissioner, because the state budget
12 was so late this year, 100 days before it got approved, we had
13 to withhold all expenditures for contracts and nonessential
14 things. Our expenditures to date as shown here are up to date
15 and accurate for personnel expenses and some of the line items,
16 but some we just haven't received yet. If you -- if you go
17 down you'll see there's no expenses on DOJ, on our attorney
18 general fees, for instance. We have been represented --

19 COMMISSIONER CHOPER: So they're coming?

20 MR. SMITH: -- what our costs --

21 CHAIRPERSON BRACKPOOL: They are coming.

22 MR. SMITH: They will come in.

23 COMMISSIONER CHOPER: I got it. Thank you.

24 MR. SMITH: Okay.

25 CHAIRPERSON BRACKPOOL: And let me just, before you

1 go, Bon, let me recognize that tomorrow is our Assistant
2 Executive Director Bon Smith's last day. He's retiring. You
3 go with our good wishes.

4 VICE CHAIR ISRAEL: Are you going to be as good a
5 pension buy as Jerry Brown?

6 MR. SMITH: I'll be collecting mine.

7 VICE CHAIR ISRAEL: Oh. Okay.

8 CHAIRPERSON BRACKPOOL: I like that answer. Okay.

9 Moving on, item number four is the approval of race
10 day charity proceeds of the Los Angeles Turf Club in the amount
11 of \$158,706 to 35 beneficiaries, which are listed here in our
12 Board pack. Do I have any comments from any Commissioners?

13 VICE CHAIR ISRAEL: I just have a --

14 CHAIRPERSON BRACKPOOL: Commissioner Israel.

15 VICE CHAIR ISRAEL: Yes. I have a question. What is
16 the Cystinosis Research Foundation? Why does it get \$5,000?

17 CHAIRPERSON BRACKPOOL: Frank, please just state y
18 our name and affiliation for the record.

19 MR. DEMARCO: Yeah. Frank DeMarco, Santa Anita,
20 General Counsel. The Cystinosis Foundation is a foundation
21 seeking, obviously, a cure for a disease called cystinosis.
22 And we've been giving money to them for the last two years.
23 It's a completely nonprofit type deal where every sent goes to
24 research.

25 Cystinosis is an extremely rare disease that affects

1 newborn children. It causes ice clusters to form in their
2 eyes, and the child has to be treated every hour, 24 hours a
3 day with a particular kind of medicine to cure it.

4 We just thought it was a wonderful charity. And we,
5 you know, we think we've taken care of older horses. We think
6 we should also have an obligation to take care of children
7 where we can. And we've been able to spread this out among
8 some of these local hospitals. That's basically what -- what
9 we're doing.

10 VICE CHAIR ISRAEL: I just -- yeah. I didn't know
11 what it was.

12 MR. DEMARCO: Okay.

13 VICE CHAIR ISRAEL: I was just curious.

14 CHAIRPERSON BRACKPOOL: But when I look at this, just
15 to go to that last point, your charity distributions tend to be
16 balanced between equine related charities and local --

17 MR. DEMARCO: Correct.

18 CHAIRPERSON BRACKPOOL: -- related charities.

19 MR. DEMARCO: Yeah. We -- we have 74 percent, I
20 think, going to the horse-related charities, the rest going to
21 local charities. We owe a lot to the City of Arcadia. We've
22 been there for 35 years and we need their help, we need their
23 cooperation. We like to spread some of this money around to
24 the local YMCAs and the local charities, the two high schools,
25 and we just think it's a good balance.

1 CHAIRPERSON BRACKPOOL: I agree. I will make a
2 motion to approve these proceeds. Do I have a second?

3 COMMISSIONER DEREK: Second.

4 CHAIRPERSON BRACKPOOL: Commissioner Derek seconds.
5 All in favor?

6 ALL COMMISSIONERS: Aye.

7 CHAIRPERSON BRACKPOOL: Motion approved.

8 MR. DEMARCO: Thank you.

9 CHAIRPERSON BRACKPOOL: Thank you, Frank.

10 Item number five, public hearing -- Jackie -- public
11 hearing and action by the Board regarding the proposed addition
12 of CHRB Rule 1581.2, Suspended Trainer May Enter Horses, to
13 allow suspended trainers to enter a horse to race during the
14 time of suspension, provided the race occurs subsequent to the
15 last day of suspension. This does conclude the 45-day comment
16 period, and there were comments.

17 Just for everybody in the audience, this was an issue
18 that came up a couple of times in the summer, and it's to do
19 with when somebody gets a suspension and which day their
20 suspension is ending because there is a slight inequity based
21 on the calendar day, the day of the week that your suspension
22 ends due to entry days. So five days can sometimes mean six
23 days. Five days can mean eight days. And this was an attempt
24 to try and balance that inequity to make all suspensions really
25 equal.

1 But there were some interesting comments as we went
2 through this. So why don't you summarize those very quickly,
3 Jackie. And then I have a speaker on the issue. And then I
4 know Commissioner Israel has something he wants to add, as
5 well.

6 MS. WAGNER: Absolutely. Jackie Wagner, CHRB staff.
7 The proposed amendment to Rule 1581.2 is as the -- the Chairman
8 stated. This rule would allow a trainer who is under
9 suspension to enter horses to race, provided the race occurs
10 after the trainers term of suspension and provided the stewards
11 allow the -- the entry.

12 We received -- this has gone off the 45-day comments.
13 During the comment period we did receive a letter from the CTT.
14 They oppose two -- well, they had two concerns about this
15 particular rule. The first one -- issue they raised was
16 that -- it was an issue that we raised, as well, staff, that
17 was that the surrogate trainer could be cited for a violation
18 in addition to the trainer of record should the horse that is
19 entered come up with a medication violation. The CTT proposed
20 that it should be agreed that if a complaint is brought against
21 the reinstated trainer that no additional complaint be brought
22 against the surrogate trainer.

23 Currently under our proposed procedures there is no
24 mechanism for the CHRB to stipulate that. In addition, that
25 would kind of violate the -- the defense that some of the

1 trainers would be able to use in terms of a complaint being
2 filed against them for medication violations.

3 In addition, the CTT also objected to language in the
4 proposed rule that will allow the stewards or the Board to deny
5 a suspended trainer the ability to enter a horse. And staff
6 would like to point out that this particular provision is not
7 something that is new. Currently under the Board's Rules 1542,
8 Power to Refuse Entry and Deny Eligibility, and Rule 1580,
9 Control Over Entries on Declarations, the stewards do have an
10 ability to deny an entry should they see fit.

11 So this is presented to the Board for adoption,
12 should it care to do that.

13 CHAIRPERSON BRACKPOOL: Before I have any comments
14 from the Board let me ask the speaker to come up, Carlo Fisco
15 from CTT.

16 MR. FISCO: Thank you, Mr. Chairman. Carlo Fisco,
17 CTT. For clarification purposes, CTT supports the proposed
18 amendment.

19 As to the additional complaints as set forth in our
20 letter to the Board, everyday practice for many, many years has
21 been where a single citation has been issued, although there
22 may have been other workers in the barn who may have, in fact,
23 been directly responsible for the administration of the overage
24 drug. We don't have a problem with that as the rule is
25 written.

1 On the second point, we only wanted to clarify the
2 point that the discretion written into the rule does not apply
3 to the very narrow issue of whether the trainer on race day is
4 suspended or not. We have stated before at a previous meeting
5 that the discretion of whether or not he is on suspension is
6 really not available to the stewards.

7 There is Rule 1580 which does grant the stewards
8 discretion over entries. However, this rule would be more
9 focused if it was written, for example, to state, and unless
10 denied such privileges on separate grounds by the stewards or
11 the Board pursuant to Rule 1580. We could not envision a
12 situation where there would be an instance that would allow the
13 stewards to exercise discretion where the trainer -- where the
14 trainer was not on suspension; you either are or you aren't for
15 entry purposes.

16 Now there may be separate grounds. For example, the
17 trainer may not have renewed his license on the day of the
18 race. That would be a separate ground which would fall under
19 1580.

20 So in summary, we don't have a problem with this
21 rule. We thought it could be made a little tighter and a
22 little more in tune with what actually happens on an everyday
23 basis. Thank you.

24 CHAIRPERSON BRACKPOOL: Thank you. Vice Chair
25 Israel?

1 VICE CHAIR ISRAEL: I -- I understand the -- your --
2 your concerns. And I think there's another concern, which is
3 the legality of any waiver that might be signed by the -- by
4 the trainer, the succeeding trainer, the one who actually races
5 the horse, waiving liability from his predecessor if -- if
6 there is a violation. Is that -- that may not be legal, is
7 that --

8 MR. MILLER: That's correct.

9 VICE CHAIR ISRAEL: Is there a way to defer
10 consideration and reconsider the language so that there is an
11 ability to do that or would the law prohibit that no matter how
12 this is written?

13 MR. MILLER: I -- it would have to be studied. If
14 the Board wished, I mean, we could go back for further review
15 and -- and study.

16 VICE CHAIR ISRAEL: Well, to -- I think to take into
17 consideration the CTT concern and your concern, I think the
18 wise thing to do is to defer for now and find a way, if there
19 is a way, to do this so that there aren't any gray areas
20 whatsoever.

21 MR. MILLER: Yes. For the record, Robert Miller,
22 Counsel for the California Horse Racing Board.

23 CHAIRPERSON BRACKPOOL: I -- I would -- I would
24 concur with that. I think that -- that you raised your own
25 issues, which you said would improve the rule. I'm not sure

1 that I would necessarily agree that they would improve the
2 rule, they would change the rule. I think they're different
3 things.

4 But I am concerned with -- with the comment about who
5 would be liable and whether a waiver would be enforceable,
6 because I would not ever want to vote for a rule that meant we
7 couldn't prosecute anybody for a violation because everybody
8 was at cross-purposes. And that's where I fear the way that
9 this might -- might head.

10 So I'm still concerned with the inequity of five days
11 not being, you know, always the same number of days and I'd
12 like to see if we can resolve that. But I don't think we can
13 rush to judgment and find that we then didn't have anybody
14 to -- to -- to enforce the rule against.

15 COMMISSIONER CHOPER: I move we put it over one more
16 meeting and get a report on that, see if we can't finish a
17 report. Well, is it one more, he said?

18 CHAIRPERSON BRACKPOOL: I would --

19 COMMISSIONER CHOPER: Too soon?

20 CHAIRPERSON BRACKPOOL: It's too soon. We've got --

21 COMMISSIONER CHOPER: Okay.

22 CHAIRPERSON BRACKPOOL: We've got a lot to handle
23 right now.

24 COMMISSIONER CHOPER: Next meeting -- next meeting
25 where it is possible to, you know, to consider it practically.

1 VICE CHAIR ISRAEL: Right.

2 CHAIRPERSON BRACKPOOL: As soon -- as soon as we've -
3 - we've got an answer we will bring it back. We won't leave
4 it, you know, very long. We'll try and get back to the January
5 meeting, but we'll certainly have it back by the February
6 meeting.

7 VICE CHAIR ISRAEL: And then once it's rewritten it
8 then has to go back for the --

9 MS. WAGNER: To -- for a 45-days --

10 VICE CHAIR ISRAEL: -- 45 days.

11 MS. WAGNER: -- notice. And --

12 CHAIRPERSON BRACKPOOL: Correct.

13 MS. WAGNER: And staff will make -- will make contact
14 with Carlo and we'll get the language and get their suggestions
15 and try -- try to come up --

16 VICE CHAIR ISRAEL: And -- and --

17 MS. WAGNER: -- with language that we -- that --

18 VICE CHAIR ISRAEL: And if there is a question of
19 constitutionality, will somebody please confer with
20 Commissioner Choper?

21 MS. WAGNER: Absolutely. Absolutely.

22 MR. FISCO: Commissioners, I might mention that in
23 the CTT letter there was reference to the CHRB rule which
24 allows the stewards to cite anyone -- anyone involved in that
25 situation. So, the waiver --

1 COMMISSIONER CHOPER: I --

2 MR. FISCO: -- this is the first I've heard of the
3 waiver, by the way. But absent the waiver, they have the
4 ultimate discretion to name one trainer, one trainer and his
5 assistant, one trainer and his assistant and the groom. They
6 have never done that, but they do have that discretion under
7 the Horse Racing Rules. That may be the answer. But we're
8 willing to work with the Board.

9 COMMISSIONER CHOPER: Great.

10 VICE CHAIR ISRAEL: Thank you.

11 COMMISSIONER CHOPER: Thank you.

12 CHAIRPERSON BRACKPOOL: So unless I have any
13 objections we'll put this over for now. And do I need a motion
14 for that, Counsel, to put it over? I think we can just put it
15 over.

16 MR. MILLER: Just put it over.

17 CHAIRPERSON BRACKPOOL: Just going to put it over.
18 Thank you, Jackie. Why don't you stay there.

19 Item number six, public hearing and action by the
20 Board regarding the proposed amendment to CHRB Rule 1876,
21 Financial Responsibility, to, one, require that all financial
22 responsibility complaints, except those submitted as horse
23 racing related wage disputes include California Civil Court
24 judgment; two, provide that financial responsibility complaints
25 from equine medical hospitals, horse farms where the debt

1 exceeds \$1,000 and Board authorized thoroughbred horse auctions
2 will be considered if the debts are directly related to the
3 California horse racing operations of a person licensed by the
4 Board. This also concludes the 45-day comment period.

5 And this was Commissioner Derek's introduction last
6 time. So between you and Jackie, I'll let you take this item
7 on.

8 MS. WAGNER: Jackie Wagner, CHRB staff. The proposed
9 amendment to Rule 1876 is as the Commissioner -- excuse me, as
10 the Chairman stated.

11 During the 45-day comment period on this rule we
12 received quite a few comments on the rule, the majority of them
13 objecting to the requirement that a civil court judgment be
14 obtained by the complainant before the stewards would consider
15 a financial responsibility complaint.

16 In recognition of the comments that we have received,
17 staff would recommend that the Board at this time not adopt the
18 proposed amendment and give us time to go back and review the
19 comments and to take those comments into consideration to
20 address the concerns of those that did comment during the 45-
21 day period and bring back to you different language to
22 consider.

23 CHAIRPERSON BRACKPOOL: We have a couple of speakers.
24 Let me get the speakers, and then perhaps you can comment on
25 that. I'm going to struggle with the writing on this one, but

1 Karen --

2 VICE CHAIR ISRAEL: I think I've got the -- she --
3 she wrote a letter on this, so --

4 CHAIRPERSON BRACKPOOL: -- yes, Klawitter. Did I get
5 -- did I get close?

6 MS. KLAWITTER: Close enough.

7 VICE CHAIR ISRAEL: Here. Klawitter.

8 MS. KLAWITTER: Karen Klawitter.

9 CHAIRPERSON BRACKPOOL: Klawitter. Okay. Well, that
10 was pretty close.

11 MS. KLAWITTER: Yeah. That's all I'm here for then.
12 I was going to say that I would ask you to divide it up and to
13 vote no for the first section and yes for the second section.
14 So --

15 MR. MILLER: Excuse me. Could you please state your
16 name for the record?

17 MS. KLAWITTER: Oh. Karen Klawitter.

18 CHAIRPERSON BRACKPOOL: And your affiliation is?

19 MS. KLAWITTER: Southern California Equine
20 Foundation. We operate the hospitals here on the backside of
21 the race tracks.

22 CHAIRPERSON BRACKPOOL: For the record. Thank you.

23 MS. KLAWITTER: Okay. Thank you. Thank you.

24 CHAIRPERSON BRACKPOOL: Thank you. I have another
25 speaker, Dan Schiffer.

1 MR. SCHIFFER: Good morning, Chairman, Members of the
2 Board, Dan Schiffer. I'm an attorney practicing civil law and
3 I represent a lot of horse farms, veterinarians, horse-shoers
4 and the like who off the race track provide services to
5 licensees of the California Horse Racing Board.

6 Just I'm very relieved to hear that you're going to
7 look at more language. I did suggest some language in my
8 September 30th letter to the Board.

9 I'd like to also comment on the judgment issue. Once
10 I get a judgment, if I want to go after a licensee and he earns
11 a purse I simply send a writ of execution down to the
12 paymaster's office, and that's the way we get some leverage
13 against them. It's not necessarily effective, it's very
14 cumbersome, and it's extremely expensive to do that because the
15 purses go out within 48, 72 hours. So if the Board could
16 assist us in putting leverage on these individuals it would
17 certainly help.

18 And then finally my comment would be that in
19 practicality the Board needs to set up a method by which these
20 complaints are calendared. What I am hearing as a practical
21 matter is that often these things are put aside again and again
22 and the stewards are simply too busy to deal with the issue. I
23 would like to see some kind of language put into this statute
24 to set up a specific time so that they can be dealt with in a
25 timely manner. Thank you.

1 CHAIRPERSON BRACKPOOL: Thank you. Commissioner
2 Derek, what would you add?

3 COMMISSIONER DEREK: I'm in agreement to look into
4 this further. If there's any way that we can do without the
5 requirement of a civil court judgment first I think it would
6 help streamline it and solve everyone's problems.

7 CHAIRPERSON BRACKPOOL: Commissioner Rosenberg?

8 COMMISSIONER ROSENBERG: Just a question the
9 gentleman raised, I think it was a good one. What is the
10 existing procedure if a complaint -- you're saying, basically,
11 that there is -- that the staff doesn't have enough time to
12 handle all the complaints.

13 COMMISSIONER CHOPER: The stewards.

14 CHAIRPERSON BRACKPOOL: The stewards. The stewards
15 don't have enough time.

16 COMMISSIONER ROSENBERG: Yeah. So that is a big
17 issue.

18 CHAIRPERSON BRACKPOOL: That's why I think we need to
19 define this set of rules far more precisely than we have
20 before. Commissioner Choper?

21 COMMISSIONER CHOPER: It strikes me, if they've got a
22 judgment it shouldn't take them very long. That's the -- I
23 take it that's the reason behind requiring a judgment to begin
24 with --

25 CHAIRPERSON BRACKPOOL: Yeah.

1 COMMISSIONER CHOPER: -- so it's been litigated by
2 the proper authorities, it's over. I take it if it was going
3 to appealed it would have been appealed. They've got a
4 judgment. I mean, I think you ought to be able to calendar
5 these things and let them off pretty quickly. Maybe I'm wrong,
6 I'm missing something.

7 COMMISSIONER ROSENBERG: Do you mean after a
8 judgment?

9 CHAIRPERSON BRACKPOOL: Yes.

10 COMMISSIONER CHOPER: Yeah.

11 COMMISSIONER ROSENBERG: Yeah. But --

12 COMMISSIONER CHOPER: He's talking about after a
13 judgment.

14 CHAIRPERSON BRACKPOOL: He said that approving the
15 complainant --

16 COMMISSIONER ROSENBERG: The complainant. Okay. But
17 the complaint is that -- that as Bo --

18 COMMISSIONER CHOPER: But that's a different issue.

19 COMMISSIONER ROSENBERG: -- Derek referred to, I
20 think that --

21 COMMISSIONER CHOPER: Well, they've got to get a
22 judgment first.

23 COMMISSIONER ROSENBERG: I'm assuming that it's
24 impractical for most creditors to keep going to court and to
25 file a small claims every time they have a complaint against

1 the creditor.

2 VICE CHAIR ISRAEL: Yes. And it's -- and it's unfair
3 to the court system, as well. I mean, we -- we do have a
4 system set up, hopefully, that we're -- we can keep from
5 clogging the court system with small cases.

6 CHAIRPERSON BRACKPOOL: All right. Well, let's put
7 it -- put it over. And I just want to make sure that we're
8 going to keep working on this, Counsel, because I don't want to
9 put it over for the sake of putting it over. We're putting it
10 over to get this fixed.

11 MR. MILLER: Yes.

12 CHAIRPERSON BRACKPOOL: So I would like this -- well,
13 this one has been out longer, so I would like this one back as
14 soon as possible. So I'm not going to draw a line in the sand,
15 but it has to be done by January.

16 MS. WAGNER: No problem. We'll take care of it.

17 CHAIRPERSON BRACKPOOL: Thank you. All right.

18 COMMISSIONER CHOPER: I just want -- I mean, I -- I
19 think it's a question of -- I mean, Commissioner Israel says
20 the courts are -- that's true. The courts are overloaded, but
21 apparently so are the stewards. And the question is: Who --
22 which is the most efficient body to make these determinations?
23 And, you know, if you have -- if -- if you have somebody say I
24 paid, somebody said, well, you didn't pay, well, now -- now
25 you've got to give evidence and take it. And so that -- that's

1 what courts are for. They're a lot more experienced and
2 efficient.

3 COMMISSIONER ROSENBERG: I think it's a practical
4 matter, though, Commissioner Choper. I as a practical matter,
5 what would happen if we had this procedure, a lot of these
6 things would be settled as soon as this procedure was in place.

7 CHAIRPERSON BRACKPOOL: And that's what he refers, is
8 the leverage --

9 COMMISSIONER ROSENBERG: That's the whole point.

10 CHAIRPERSON BRACKPOOL: -- and I think that's
11 correct.

12 COMMISSIONER ROSENBERG: Exactly.

13 CHAIRPERSON BRACKPOOL: Yeah.

14 COMMISSIONER ROSENBERG: YEAH.

15 CHAIRPERSON BRACKPOOL: Correct. Okay. We will move
16 along on this?

17 MR. MILLER: Yes, we will.

18 CHAIRPERSON BRACKPOOL: This is very late, and I'm
19 trying to move this meeting along.

20 One last speaker on this issue, John Bucalo.

21 MR. BUCALO: John Bucalo, Barona Casino.

22 CHAIRPERSON BRACKPOOL: Next time, John, I've got to
23 have a card before. We can't be doing this at the last minute.

24 MR. BUCALO: You bet you. I thought I could be of
25 some help. I did work as a racing official for a while. If

1 there is still an associate steward why can't the associate
2 steward handle the training stuff and be in then realm of this
3 authority for claims of \$5,000 or less? And then the stewards
4 wouldn't be bogged down with so -- so many. I mean, just a
5 simple solution possibly.

6 CHAIRPERSON BRACKPOOL: Is this an application for a
7 job you're applying for?

8 MR. BUCALO: No, sir.

9 CHAIRPERSON BRACKPOOL: Oh, I was just checking.
10 Thank you, John. Okay.

11 Moving on, item number seven, discussion and action
12 by the board regarding the approval of the Jockey Pension Fund
13 Plan as presented by the Jockey's Guild, Inc. and the executive
14 staff of the Board, pursuant to Business and Professions Code
15 section 19604.

16 And we have seated at the table Barry Broad
17 representing --

18 MR. BROAD: The Guild.

19 CHAIRPERSON BRACKPOOL: -- the Jockey's Guild. And
20 we are waiting for somebody from staff. Who is presenting this
21 issue?

22 MR. MILLER: Oh, I am, I guess.

23 CHAIRPERSON BRACKPOOL: Okay.

24 MR. MILLER: Do you want me to move to the other
25 table?

1 CHAIRPERSON BRACKPOOL: No. I just want you to state
2 your name so that everybody listening knows who you are again.

3 MR. MILLER: Thank you. I am Robert Miller. I'm the
4 counsel of the California Horse Racing Board.

5 In conjunction with the Jockey's Guild and their
6 Attorney Barry Broad we have engaged the services of a law firm
7 to draft a defined contribution plan for jockeys in accordance
8 with the statute passed regarding the advance deposit wagering
9 legislation. And Barry is here and he can explain the -- the
10 planning that's going to be taking place if the Board adopts
11 this and what the plan is about.

12 MR. BROAD: Mr. Chairman and Members, I'll try to
13 keep this as brief as possible, but it -- there are just, you
14 know, some stuff. And I hopefully won't go over the three
15 minutes, but if I do I beg your indulgence.

16 Before you today is actually the plan itself, and it
17 is a prime contribution plan. The way it will work is that
18 funds generated by the statutorily designated source of
19 advanced deposit wagering will be invested collectively, more
20 like a traditional pension plan, and then allocated to the
21 individual account of participating jockeys. Every licensed
22 jockey in California is eligible to participate.

23 The money, essentially what we're going to do is
24 let's say \$500,000 comes in, in a year, at the end of the
25 racing year we will divide that money by the number of starts,

1 come up with a per race contribution, and for every jockey's
2 start that jockey will receive that dollar amount. Then that
3 money will be collectively invested. And we now have an RFP
4 out, which your staff is very capably managing, this whole RFP
5 process.

6 There's a person on your staff named Lindy Boss, and
7 I never really got it but she's fabulous. Anyway, I know
8 people are always running down state employers but, man, the
9 state's got a great one there. Anyway, and we look -- well,
10 you know, whatever.

11 Anyway, so we will shortly be -- you know, sometimes
12 you've got to pay respects where respects are due. Anyway,
13 she -- we -- we will be picking, hopefully, by about the first
14 of December one of -- from one of the seven firms that
15 responded to the RFP that will invest that money, the money
16 will be invested in conjunction with a yet-to-be-named joint
17 core which we assume will be, you know, staffed from the CHRB
18 or members of the CHRB, we'll figure that out shortly, and
19 folks from the field and we will essentially act like the board
20 of trustees for the trust on behalf of the two organizations
21 because it's jointly managed, and oversee and respond to any
22 questions about investment decisions. The idea is to invest
23 this conservatively, but this is not a risky thing but an
24 investment portfolio that will produce incomes into the future
25 for jockeys.

1 They will then each have an account based on what
2 they've contributed and what their portion has earned. So it's
3 a defined contribution account, so they have an individual
4 account that is not going to be individually managed by the
5 jockeys.

6 Some time ago we went out and surveyed the jockeys,
7 asking them various questions about what they -- what they
8 desired in the plan. And interestingly enough they want the
9 plan, and I think this was a wise -- a wise decision on their
10 part, they want the plan to enable them to get their money
11 before they retire. They -- they -- they all recognize that
12 if -- if you could borrow it, if you could get pieces of it
13 early, that they would likely do that if they got into
14 financial trouble. And they know that what they need in this
15 industry is a retirement because many of them will wind up in
16 old age in total poverty, and this could really alleviate that
17 possibility.

18 So they are not allowed to get that money before they
19 turn 50 years old, unless they become permanently disabled and
20 at which point they could draw their money out. They can't
21 borrow from it. They can't -- it's not going to be -- it might
22 be allocated in a divorce proceeding but it's not going to be
23 handed out in a divorce proceeding prior to the age of 50.
24 They will -- if they retire, that is to say they give up their
25 license and they take the benefit, they can't come back and,

1 you know, try to join up again. You can only retire once.
2 That's -- otherwise people could gain the system and they could
3 get the money and go in and out and in and out and in and out,
4 although they obviously can't do that before their 50.

5 For small -- we're going to have to come up, this
6 Board, with -- and make certain decisions in the near future,
7 one of which -- which is at what point do we -- because there's
8 going to be a lot that -- a lot of people that are eligible
9 here and a lot of people who race who are going to have very
10 small amounts of money in this over time. So, you know, this
11 may be \$15.00 a race. And if you have someone who's licensed,
12 and we have currently 322 licensed jockeys, of which about 222
13 don't race very much, so they're likely at the age of 50 to
14 have \$100, \$200, \$300 dollars in this thing. And obviously we
15 would give them their money in a lump sum. We're going to have
16 to figure out who gets a lump sum and who actually gets a
17 pension and that sort of stuff.

18 CHAIRPERSON BRACKPOOL: Vice Chair Israel.

19 VICE CHAIR ISRAEL: Barry, you were talking about how
20 you allocate per -- per mount. What -- what do you do in the
21 event of a jockey being injured and being laid up for a
22 significant period of time, for example, Talamoa Bays
23 (phonetic) this summer, Baharano (phonetic) last summer, they
24 lose a significant number of mounts and a significant amount in
25 contribution to their -- is there some remedy for that?

1 MR. BROAD: There is no remedy for that. However, if
2 they are injured, for example, and they don't renew their
3 license or they move to another state and don't keep their
4 California license, provided they don't access the benefits they
5 can come back again and re-license. It's just you can't retire
6 more than once, that's the only thing. If somebody is
7 injured --

8 VICE CHAIR ISRAEL: I mean injured and the -- and the
9 mix isn't --

10 MR. BROAD: If they're permanently -- if --

11 VICE CHAIR ISRAEL: No. No. I'm talking about if
12 you miss 6, 8, 10, 12, 14 weeks --

13 CHAIRPERSON BRACKPOOL: No. Because there's a
14 disability action --

15 COMMISSIONER CHOPER: Yeah.

16 CHAIRPERSON BRACKPOOL: -- and it's not covered by
17 this.

18 MR. BROAD: This is not --

19 CHAIRPERSON BRACKPOOL: They would -- they would
20 carry their own disability.

21 COMMISSIONER CHOPER: Yeah.

22 VICE CHAIR ISRAEL: I understand. But there's no
23 contribution to the pension, right --

24 CHAIRPERSON BRACKPOOL: Correct.

25 VICE CHAIR ISRAEL: -- because they're not getting

1 any mounts.

2 CHAIRPERSON BRACKPOOL: Correct.

3 MR. BROAD: That's correct.

4 CHAIRPERSON BRACKPOOL: It's based on a per mount
5 basis.

6 COMMISSIONER CHOPER: They lose their benefit.

7 VICE CHAIR ISRAEL: They lose -- okay.

8 MR. BROAD: Right. They -- they -- they --

9 CHAIRPERSON BRACKPOOL: Right.

10 MR. BROAD: Their benefit just stays that way.

11 There's no -- there's no benefit that you get when you're not
12 racing --

13 VICE CHAIR ISRAEL: Okay. Because --

14 MR. BROAD: -- because there's no income, and we
15 can't tie jockey income to something else.

16 VICE CHAIR ISRAEL: I -- I -- I understand. But, for
17 instance, if you're an injured football player or baseball
18 player and you miss part of the season, that portion that you
19 don't play still --

20 CHAIRPERSON BRACKPOOL: It's because you're earning -
21 - you're earning a salary.

22 VICE CHAIR ISRAEL: Yeah. Employee.

23 MR. BROAD: Because you're an employee.

24 CHAIRPERSON BRACKPOOL: Exactly.

25 MR. BROAD: And that's --

1 CHAIRPERSON BRACKPOOL: That's the difference.

2 MR. BROAD: And -- and -- and jockeys are independent

3 contractors. If they're injured temporarily --

4 VICE CHAIR ISRAEL: Look I --

5 MR. BROAD: -- they're going to get workers comp --

6 VICE CHAIR ISRAEL: I understand the concept. I'm a

7 member --

8 MR. BROAD: -- and that's it.

9 VICE CHAIR ISRAEL: -- of the Writers Guild --

10 CHAIRPERSON BRACKPOOL: Right.

11 VICE CHAIR ISRAEL: -- and my pension --

12 MR. BROAD: I mean, I -- I --

13 CHAIRPERSON BRACKPOOL: Barry.

14 MR. BROAD: Okay.

15 CHAIRPERSON BRACKPOOL: Commissioner Moss?

16 COMMISSIONER MOSS: Did -- is -- I have two

17 questions. Number one: Is this to all jockeys that rid in

18 California? That's number one. And number two: Does it apply

19 the same to jockeys that are, let's say, riding the fair

20 circuit to the jockeys that are riding at Santa Anita and

21 Hollywood Park?

22 MR. BROAD: It applies to all jockeys --

23 COMMISSIONER MOSS: On an equal basis?

24 MR. BROAD: -- on an equal basis, regardless of where

25 they're riding.

1 COMMISSIONER MOSS: And regardless of, you know,
2 guild affiliation?

3 MR. BROAD: Regardless of guild affiliation.

4 COMMISSIONER MOSS: Okay.

5 MR. BROAD: So it's -- it's a completely
6 nondiscriminatory plan and there's no favoritism or anything.
7 The only group that is not covered is the guys in Sacramento,
8 the harness racing guys. And they asked to be taken out of it.
9 And that -- and it kind of makes sense because they're -- a lot
10 of them are owners, so they're sort of owner -- it -- it -- so
11 they're out of it. They -- and the -- so they're not
12 participating. Everybody else is.

13 In terms of the rollout of this, we now -- currently
14 in the plan, because it took us awhile to do this and we had to
15 run corrective legislation this last year in order to meet IRS
16 standards for this, we -- there's about \$1.5 million in the
17 plan. And therefore we -- we -- we -- what we're planning to
18 do is, first of all, Darrell Haire and I are going to take the
19 forms, which are in English and Spanish, the participation
20 forms. You can't participate unless you sign the forms. We
21 have to get the jockeys to actually sign the form. So we're
22 going to, A, take it on the road which will get us to where the
23 active jockeys are, and then the Board is going to send this
24 out by mail.

25 Everybody, in order to keep this nontaxable to them,

1 everybody who wants a piece, their piece of that \$1.5 million
2 has to be signed up before the end of the year. They can
3 participate in the future if they don't. But anybody who has
4 been licensed since, I believe January 1 of 2008 is eligible
5 for their part of this 1.8 million. So we have to try to
6 capture that group before the end of the year the best we can.

7 COMMISSIONER MOSS: May I ask --

8 MR. BROAD: And so -- yes.

9 COMMISSIONER MOSS: -- just one more question.

10 MR. BROAD: I'm sorry.

11 COMMISSIONER MOSS: So is there a limit to
12 administrative expenses on this fund?

13 MR. BROAD: There is -- there is no statutory limit.
14 Obviously, our board of trustees has a strong fiduciary
15 interest in limiting that. In other words, we're --

16 COMMISSIONER MOSS: That -- that's what I mean. Can
17 we guarantee that at least 95 percent of this will go to the
18 jocks or something like that, you know?

19 MR. BROAD: Well, we have to -- I -- I --

20 COMMISSIONER MOSS: I know you have to administrate
21 it, but --

22 MR. BROAD: I would like to say that, but we have to
23 see what these bidders are actually charging us and for what
24 and whether we can drive down the cost by making it cheaper.
25 The -- the less it's actively managed and the less complicated

1 it is the cheaper it is to administer. And we try to construct
2 it in a way --

3 CHAIRPERSON BRACKPOOL: Going to -- going to
4 Commissioner Moss's point, when -- when the RFP comes back and
5 the board of trustees makes -- who -- who -- who is the board
6 of trustees?

7 MR. BROAD: Well, we're going to have to figure that.
8 You're going to have name some.

9 CHAIRPERSON BRACKPOOL: Right.

10 MR. BROAD: We're going to have to name some.

11 CHAIRPERSON BRACKPOOL: So we have control over you
12 approving that RFP process.

13 MR. BROAD: Exactly.

14 CHAIRPERSON BRACKPOOL: So that will be a subsequent
15 approval we will have where we will be able to protect that
16 administrative cost.

17 COMMISSIONER MOSS: Yeah. But nevertheless, I just
18 think some figures should be -- you know, whatever figure you
19 come up with should be in the agreement.

20 MR. BROAD: Yeah.

21 VICE CHAIR ISRAEL: And then we can approve it.

22 MR. BROAD: Commissioner Moss, I agree with you. I
23 think maybe on the second round that we do this when we have
24 some experience we'll be able to say, based on our experience,
25 that administrative costs can't exceed, you know, X percent.

1 And, obviously, it's in our interest to drop this down to the
2 lowest possible amount because we want the most in there for
3 these people. So we'll be taking this on the road.

4 Then what we'd like to do is for every original
5 application for a license from this point forward, that part of
6 the application will be the enrollment form. And then we'll
7 capture all newly licensed jockeys and, at least for a while,
8 anybody who is reapplying or --

9 CHAIRPERSON BRACKPOOL: Okay.

10 MR. BROAD: -- you know, renewing their license, so
11 that eventually over time they won't -- we -- we won't have to
12 search for these people, it will be presented to me.

13 CHAIRPERSON BRACKPOOL: I got -- I got that point.
14 Commissioner Rosenberg?

15 COMMISSIONER ROSENBERG: What about the startup
16 costs? I'm not speaking about after it's in place. But these
17 startup costs to get the plan drafted. I know you're not --
18 the CHRB is not charging back their cost for their services of
19 the staff. But what -- what was the estimate of starting, of
20 course, and who's paying for that, the Jockey's Guild?

21 MR. BROAD: The -- the -- the fund is paying for that
22 as part of the cost. I'm not sure what -- the startup costs
23 have primarily been the legal fees for the firm that has
24 drafted all this stuff and done all the research. It's a
25 little bit complicated because this is, frankly, a unique plan

1 in the United States. It's not --

2 CHAIRPERSON BRACKPOOL: Do have -- do have -- do you
3 have a ballpark --

4 COMMISSIONER ROSENBERG: Yeah.

5 CHAIRPERSON BRACKPOOL: -- of what those costs have
6 been?

7 MR. MILLER: I believe around \$30,000, \$30,000 to
8 \$40,000, I think.

9 The contract is between the law firm and the Jockey's
10 Guild. The law firm was selected jointly between myself and
11 Mr. Broad. The -- the firm that's in Folsom, California, it is
12 the law firm that drafted the revisions for the California
13 boxers under the auspices of the Athletic Commission.

14 CHAIRPERSON BRACKPOOL: As long as the law firm is
15 not called Miller and Broad I think we're going to be okay.

16 MR. BROAD: Do you hear that, Jerry? I'm totally
17 free. Petty change.

18 CHAIRPERSON BRACKPOOL: All right. Well, I think
19 that's a good -- do we have any other -- do you have any other
20 comments from Commissioners?

21 I would -- I think this is a great thing and this is
22 something we need to do. I'd like to think this is something
23 that we could also get, at the very least, an annual update
24 on -- to this Board as to where we are, how much we've done. I
25 think there are some --

1 MR. BROAD: Could I -- could I say, what we intend is
2 that it will -- it will be the -- the conditions that Mr.
3 Ruthenberg, the attorney, set out will require it to be
4 managed at the highest level of fiduciary duty, which will
5 include an annual audit which you would -- which I would expect
6 we would present to you annually for your approval so that it's
7 very transparent to the public and anybody who's interested.

8 CHAIRPERSON BRACKPOOL: But I also think it would be
9 crucial to -- to have this Board approve the composition of
10 trustees. I mean, that doesn't --

11 MR. BROAD: Right.

12 CHAIRPERSON BRACKPOOL: -- necessarily mean the
13 individuals, but at least the categories of people that would
14 have to be on this Board to be the true fiduciaries.

15 MR. MILLER: Yes.

16 CHAIRPERSON BRACKPOOL: So we'll do that. Well, with
17 that I would make a motion to -- to approve this item. Do I
18 have a second?

19 VICE CHAIR ISRAEL: Second.

20 CHAIRPERSON BRACKPOOL: Commissioner Israel seconds.
21 All in favor?

22 ALL COMMISSIONERS: Aye.

23 CHAIRPERSON BRACKPOOL: And the item is approved.

24 Thank you very much.

25 Item number eight, discussion and action by the Board

1 regarding the approval of a new official veterinarian contract
2 and safety project manager contract extensions.

3 Who do we have presenting this issue? Assistant
4 Executive Director Bon Smith.

5 VICE CHAIR ISRAEL: You're going to need to retire,
6 you're going to be so tired from today.

7 MR. SMITH: Yeah. State Contracting Law requires the
8 Board to review and approve contracts in excess of \$5,000.
9 With the passing of our state vet in Northern California, Joan
10 Hurley, we've sought a replacement, and Dr. Arthur has --

11 CHAIRPERSON BRACKPOOL: Could you speak up a little
12 Bon.

13 MR. SMITH: Sorry. Okay. This must not -- okay.

14 CHAIRPERSON BRACKPOOL: It's not the microphone it's
15 you.

16 MR. SMITH: Very good.

17 VICE CHAIR ISRAEL: Thanks.

18 MR. SMITH: Okay. Dr. Arthur has found a replacement
19 vet for Northern California, Dr. Forest Franklin, who is on our
20 list of qualified candidates, and is available to accept a
21 northern region assignment. So we'd request that that contract
22 be approved.

23 In addition, we have two safety project managers who
24 have been working on and conducting studies of track surfaces
25 in accordance with an approved project to develop safety

1 standards. The approval of that original project came late in
2 the last fiscal year. We were able to expend funds for
3 equipment and to acquire weather stations. But the actual
4 testing and development of the standards has lagged, and those
5 contracts should be extended and enhanced to cover the cost of
6 those managers through this fiscal year.

7 CHAIRPERSON BRACKPOOL: I'm just confused by the
8 wording where it says at the bottom of the recommendation, "for
9 both safety project managers, McCarthy and Solomon, at \$120,000
10 each for a term of 16 months service each."

11 You're only actually asking us to approve this for
12 another six months; is that correct?

13 MR. SMITH: That's correct.

14 CHAIRPERSON BRACKPOOL: Because this says --

15 MR. MILLER: Right.

16 CHAIRPERSON BRACKPOOL: -- they've already been
17 approved through December 31st, 2010. And now you're asking
18 for a six month extension?

19 MR. SMITH: That's correct.

20 MR. MILLER: Correct.

21 CHAIRPERSON BRACKPOOL: So the 16 months was what was
22 confusing.

23 MR. MILLER: Right.

24 MR. BREED: For a cumulative total of \$120,000.

25 CHAIRPERSON BRACKPOOL: I still don't actually get

1 the 16 months.

2 MR. SMITH: The 16 months will be the entire term of
3 their contract with the 6 month extension. Their original
4 contracts were only ten months.

5 CHAIRPERSON BRACKPOOL: Well, just humor me on the
6 math.

7 MR. SMITH: Certainly.

8 CHAIRPERSON BRACKPOOL: The current contracts began
9 in March of 2010 and -- and they're going to through the end of
10 June. Oh, I see, so it's the whole month of March, the whole
11 month of June? Perfect. Okay.

12 MR. SMITH: Yes, sir.

13 CHAIRPERSON BRACKPOOL: Good. Good. Good. Okay.

14 COMMISSIONER CHOPER: Is that -- are they full-time
15 employees during this time?

16 MR. SMITH: Kirk has set their schedules for the most
17 part. Probably 20 days a month, something like that.

18 MR. BREED: It works out to about three days a week
19 is what they work, and they work usually ten hour days when
20 they're in the field. So --

21 CHAIRPERSON BRACKPOOL: Okay.

22 MR. BREED: But they're contract employees so they're
23 not hourly employees. They -- because of the state law they
24 work at their discretion, Mr. Chairman -- I mean, Mr. Choper.
25 So under our -- under the -- the -- I -- under the terms of the

1 contract they work at their discretion based upon our
2 directions so that they are not employees, they are
3 contractors, much like the stewards.

4 COMMISSIONER CHOPER: Is the 120 -- is the one --

5 CHAIRPERSON BRACKPOOL: It's 120 over 16 months.

6 COMMISSIONER CHOPER: Yeah. That's -- but a whole 16
7 months?

8 MR. BREED: Correct.

9 CHAIRPERSON BRACKPOOL: Yes.

10 COMMISSIONER CHOPER: Okay.

11 VICE CHAIR ISRAEL: But per individual.

12 CHAIRPERSON BRACKPOOL: Per individual, so 60 each.

13 VICE CHAIR ISRAEL: So it's \$240,000.

14 MR. BREED: Per individual.

15 VICE CHAIR ISRAEL: Yeah.

16 MR. BREED: That's correct.

17 VICE CHAIR ISRAEL: Okay. Now the officially
18 veterinarian who has a contract value of \$45,000, how many days
19 does that cover?

20 MR. SMITH: I'd ask Dr. Arthur to speak to that.

21 DR. ARTHUR: That would be around 90 days.

22 VICE CHAIR ISRAEL: So it's a \$500 a day --

23 DR. ARTHUR: Roughly. It's \$510 a day is the wage.

24 CHAIRPERSON BRACKPOOL: Very good. Okay. Do I have
25 any other Commissioner comments on this? Can I have a motion

1 to approve these contracts.

2 COMMISSIONER DEREK: So moved.

3 CHAIRPERSON BRACKPOOL: Commissioner Derek moves to
4 approve the contracts.

5 COMMISSIONER ROSENBERG: Second.

6 CHAIRPERSON BRACKPOOL: Commissioner Rosenberg
7 seconds. All in favor?

8 ALL COMMISSIONERS: Aye.

9 CHAIRPERSON BRACKPOOL: Item approved. Okay.

10 Item number nine, discussion and action by the Board
11 regarding a request from MI Developments, Inc. to waive the
12 provisions of CHRB Rule 1433(b) which is an application for
13 license to conduct a horse race meeting which provides that no
14 racing association that operates four weeks or more of
15 continuous thoroughbred racing in a calendar year shall be
16 licensed to conduct a horse race meeting at a facility that has
17 not installed a polymer synthetic type racing surface. In
18 other words, this is the dirt waiver issue, as I read it
19 described in the paper the other day.

20 Please, everyone who has come forth, state your name
21 and affiliation for the record.

22 MR. DARUTY: Scott Daruty with MI Developments.

23 MR. HAINES: George Haines, Santa Anita.

24 CHAIRPERSON BRACKPOOL: Good morning. Well, this has
25 been an item that has been discussed endlessly over the last

1 year or so. But I think it would be very helpful to -- to bore
2 the physical audience and the -- and the listening audience to
3 give us an update of the steps that you have undertaken to
4 assure that any proposed new surface would be a paramount --
5 safety would be a paramount issue, and then tell us your
6 proposal directly.

7 MR. DARUTY: Okay. This is Scott Daruty. What --
8 and what I'll do is give an overview of the process we have
9 gone through and the various factors we took into account in --
10 in reaching a conclusion, and those with whom we worked in
11 reaching a conclusion. After giving that overview, if there
12 are specific questions either George Haines or others here
13 would be able to -- to answer any technical questions you might
14 have.

15 So at the outset, in -- in looking to convert the
16 Santa Anita track back to a natural dirt surface there were a
17 couple of key factors we -- we wanted to take into account.
18 First of all, there was a movement away from dirt a few years
19 ago because there were, you know, historically some issues and
20 problems with the dirt surfaces. And so the -- the number one
21 item that was in our mind is in returning to a natural dirt we
22 didn't want to just go back and recreate what we had before.
23 We wanted to look in today's environment with today's
24 technology and today's experience and -- and experts out there
25 what is the best thing we should be doing today. In other

1 words, we want a state-of-the-art natural dirt racing surface.

2 And -- and the -- the gentleman who headed this
3 project for us, Ted Malloy, is a very, very experienced race
4 track builder. He's built tracks across the country of all
5 different sorts, so he wasn't predisposed to one particular
6 kind of track or -- or another.

7 The process that we undertook was a very
8 collaborative process. There were many, many meetings with the
9 horsemen in California, primarily the CTT. The TOC was
10 involved but generally turned -- turned the issue over to the
11 CTT, so they were involved in many meetings. We worked very
12 closely with CHRB staff. We had input from Dr. Mick Peterson
13 and other experts in -- in the fields of soils and race tracks
14 to -- to make sure we captured as much information as we could
15 before making any decisions.

16 One point I want to make, when I say that it was a
17 collaborative process, collaborative does not mean unanimous.
18 In other words, there are a lot of people involved. There are
19 a lot of different opinions. And in making a determination on
20 something as complicated as a race track surface there are
21 many, many different factors. And different people weigh and
22 balance those factors differently and can reach different
23 conclusions. That doesn't mean somebody's right or somebody's
24 wrong, it just means they've balanced the factors differently
25 and come to a different conclusion.

1 So what we try to do is take into account all of
2 those various parties inputs. But obviously, as I say, this is
3 not something where we can stand and say there's absolute
4 unanimity, everybody person in the industry agrees with the
5 decision.

6 In trying to make sure we gathered as much
7 information as possible before making a decision there was a
8 great deal of research done. There was a group that traveled
9 to Europe. There were folks who went to South America. Across
10 the country, obviously. I mean, there was a lot of research, a
11 lot of travel and a lot of investigation undertaken.

12 The two key issues that had to be decided, the first
13 one was what is the race track construction going to be. There
14 are basically two types of dirt surfaces. There's a one-layer
15 surface and there is a two-layer surface. We can get into the
16 technical aspects later of -- of -- if anybody has a question
17 of -- of what the difference is. But we -- we undertook an
18 analysis of the one-layer and the two-layer, and then also
19 began looking at third type which is a hybrid which, as you
20 might imagine, takes some of the characteristics of -- of both
21 the one-layer and the two-layer and mixes them together.

22 All of those surfaces, the three different choices of
23 construction all have their own pluses and minuses. There are
24 better parts about the one-layer than the two-layer and vice
25 versa. So it's really a question of balancing and trying to

1 find the right construction for this environment.

2 I will say that money did not factor into our
3 decision in determining what type of race track to construct.
4 There were a number of people who were pushing a two-layer
5 track. And to be honest, that would have been the cheapest one
6 for us to build. It would have been considerably less
7 expensive than the type of construction we ultimately decided
8 upon, which was the hybrid construction. But the -- the point
9 here was not to save money but to end up with a race track that
10 was going to be a great track for a long, long time.

11 Once the decision -- and -- and by the way, in
12 determining the -- the -- the type of construction, that it
13 would be a hybrid constructed race track, that did again have
14 input from CHRB staff. It had input from the CTT. And
15 ultimately all these meetings resulted in a letter agreement
16 that was signed by the CTT, the CHRB, the TOC and -- and Santa
17 Anita that let -- that set forth the type of construction. So
18 everybody did ultimately agree that this was the type of track
19 we'd proceed with.

20 Once you've determined the construction you have to
21 determine what kind of materials are we going to use to
22 implement that construction. Again, we looked at materials
23 from all over, from the Sacramento River Delta to Tennessee.
24 There was some dirt in Argentina that some groups -- some in
25 our group thought were -- was particularly attractive. So that

1 dirt from Argentina was -- was analyzed by Mick Peterson. We
2 ended up with as many as 50 different soil samples that were
3 tested. Those tests were conducted by Michael DePew and -- and
4 many of the test results were reviewed by Mick Peterson, again,
5 to get as much input as we could.

6 From that broad, broad base of -- of various soils we
7 looked at there were some finalists selected, and those were
8 plotted at Santa Anita. Large dirt plots were made so people
9 could go out, walk on it, look at it, feel it. You know, you
10 could water it. You could see how it reacted to the different
11 temperatures. And all of this, again, designed to -- to
12 collect as much information as possible. CTT members were
13 regularly out walking the plots and looking at the dirt and --
14 and providing us with their input.

15 The final six choices of soils were tested by Dr.
16 Mick Peterson. Again, he -- he tested actually seven if you
17 count the Palermo soil from down in Argentina. And he was
18 looking at various technical aspects of the soil to make sure
19 how well it would hold up, how would it handle temperature
20 variations, how would it handle moisture variations.

21 From those -- from those six finalists, obviously one
22 final material was selected, again with input from CHRB staff
23 and from the trainers, as with the construction. There is no
24 unanimity when you get into an issue like this but I -- I do
25 believe there is a strong consensus. And the collaboration

1 that took place in this process I think was really somewhat
2 unprecedented for -- for the development of this sort of race
3 track. We really wanted to make sure we had everybody's input.

4 Where we stand today is we await this Board's
5 decision on whether or not to -- to grant this waiver. If
6 we're fortunate enough that you decide today to allow us to
7 move forward with a dirt track the truckloads will begin, you
8 know, coming in almost immediately. We've got the first -- the
9 first piece of the construction is to get the base laid down
10 and laid down properly. That is the -- the foundation that is,
11 you know, of critical importance to make sure that is done
12 perfectly.

13 And it's the one, you know, bright spot in this whole
14 process in this whole process of -- of taking out the track
15 and -- and replacing it. It's been painful in many ways, but
16 it is nice to be able to start with a clean slate. We're going
17 back. We're completely redoing the base, make sure it's highly
18 compacted, make sure it's precisely graded. It will be laser
19 graded so that we know it's to the exact right specifications.
20 The key in setting the base is to make sure it's uniform and
21 it's consistent and it's at the proper grade. And we're
22 really, you know, sparing no expense in making sure that that
23 is done.

24 The agreement that we've entered into, the letter
25 agreement I referred to earlier does specify that once the base

1 is installed we will bring Mick Peterson out. He will be using
2 ground penetrating sonar to -- to check the track to make sure
3 it is uniform, make sure it is consistent. We do not
4 anticipate any problems. But if there is a problem it would be
5 identified before the -- the cushion material goes down on top.
6 We'd be able to locate it and -- and repair it and fix it.

7 The second step of the construction after the base is
8 laid, at that point the cushion material is brought in and
9 spread out on top of the track. The cushion material is a
10 natural mix of -- of clay and some different types of sands.
11 Again, all the analysis of all the 50 different samples that
12 went into this was designed to come up with this -- this, you
13 know, best mixture that we possibly could. We've not
14 identified that and it is being mixed. It's -- it's natural
15 soil, but it is being mixed specifically for our track to make
16 sure we have the exact right percentages of the clay and the
17 various types of sand. And that process will, you know, will
18 continue.

19 And as soon as the base is -- is done the cushion
20 will be brought in and laid on top. We would anticipate that
21 it would be approximately the first week, some time -- some --
22 somewhere near the end of the first week of December that all
23 of this work would be completed and the track would be opened
24 up for -- for training.

25 One final point, it's all well and good to build a

1 state-of-the-art new natural dirt surface. But it is
2 absolutely crucial to continue the maintenance of that over
3 time to make sure that it is worked properly and -- and --
4 and -- and -- and everything is done to maintain it as -- as
5 good, you know, six months from now and a year from now as it
6 is the day we -- we first start running on it.

7 To that end we've gone out and purchased quite a bit
8 of new equipment. We've spent \$400,000 on a precision laser
9 guided grader so that we can maintain with time the precise
10 grade of the track. I -- I did mention earlier, but as the
11 track is constructed there's going to be GPS used to -- to
12 establish the certain grade. And so with the -- with the
13 various pieces that are installed in the track they will guide
14 the laser -- they -- they will guide the grader using GPS in
15 the future. So as we continue to grade the track it will
16 always maintain the -- the grade that it was designed to.

17 VICE CHAIR ISRAEL: So you have transponders in -- in
18 the base of the track that will communicate; is that what it
19 is?

20 MR. DARUTY: It will communicate, yes, and -- and
21 guide -- guide the -- the --

22 VICE CHAIR ISRAEL: Yeah.

23 MR. DARUTY: -- person who's -- who's driving --
24 driving the -- the grader.

25 In addition to this state-of-the-art grader we're --

1 we're spending close to \$350,000 on new water trucks, about
2 \$100,000 on new harrows. It's -- it's going to be close to \$1
3 million in new equipment when -- when all is said and done to
4 make sure that this huge investment we're making in the surface
5 is able to be maintained with time.

6 So that's the overview. Obviously, if there are
7 specific questions we'd be happy to answer them.

8 CHAIRPERSON BRACKPOOL: I thank you for that. It was
9 comprehensive. I have obviously been following this on a daily
10 basis as our staff have been working with you and gone back and
11 forth. And there was -- there was an extraordinary amount of
12 detail that's in here, and therefore public record for anybody
13 that -- that -- that wants to take a look at -- at what's been
14 done.

15 I can only say that the only thing that -- that --
16 that we could do, at the last meeting that we discussed this,
17 was to try and emphasize the importance of -- of a cooperative
18 process in trying to get buy-in by everybody. And I do think
19 that it's -- it's important to note here that, you know, we do
20 have signatures on this from John Sadler as President of CTT,
21 and Bob Baffert as the TOC representative on this. And I think
22 that's -- that's important.

23 Do we have anything else that the CTT would add to --
24 add to this?

25 MR. BALCH: Alan Balch representing California

1 Thoroughbred Trainers.

2 First of all, formally we just want to say that we
3 endorse the application for the waiver for a return to natural
4 surface at Santa Anita. We certainly agree that everyone has
5 been attempting to achieve the best racing surface in North
6 America and has spared no effort to do that.

7 We agree with Mr. Daruty's point, and certainly I as
8 one of the dinosaurs in the room, I have never seen this kind
9 of effort at collaboration on racing surfaces I think anyplace,
10 but certainly here in California, in the history of racing.
11 It's been a very, very good learning experience for everyone.
12 We've all benefited from a great deal of worldwide experience.

13 Having said that I think Scott already made the
14 point, not everybody agrees on something as complicated as
15 this. I think he inferred, if he didn't state out right, that
16 CTT did favor a two-layer track. But in the discussions it
17 was -- became very clear that the Santa Anita had concerns
18 about the availability of the appropriate soil and the
19 hydration or watering requirements for a two-layer track. And
20 in an effort to address these concerns in a timely way, because
21 we all realize the importance of having the track in and
22 training on it as soon as possible, the CTT conditionally
23 agreed that Santa Anita would install the hybrid, which Scott
24 has ably described.

25 And the one point that Scott has not made is that one

1 reason we agreed to the hybrid, or I would say the primary
2 reason, is because while it's not truly two-layered it would
3 incorporate the ability to modify the cushion to install a two-
4 layer design, or in the alternative to modify the hybrid track
5 to a true two-layer track if upon experience we saw the need
6 for that. We've been very intimately involved on a weekly and
7 sometimes hourly basis with Ted Malloy in that his assurances
8 that he is going to design and build a safe and consistent
9 natural surface that will be appropriate for the climate in
10 California.

11 And we put our -- a great deal of hope and faith and
12 trust that we will end up very soon with the best racing
13 surface in North America.

14 CHAIRPERSON BRACKPOOL: There you go. George, do you
15 have anything to add?

16 MR. HAINES: No. Scott summarized everything
17 accurate. I just want to stress that the materials that we're
18 using on the track are all natural materials. They're not
19 manufactured. We've looked and had an extensive search for
20 these materials. We were successful to locate material close
21 by.

22 CHAIRPERSON BRACKPOOL: Full purchase at Whole Foods.

23 MR. HAINES: Yeah. So we're very confident. We've
24 also established a base camp at the quarry so as material is
25 coming out of the quarry that it is analyzed right there in the

1 field before it is brought to Santa Anita. So we're going to
2 all lengths to make sure that this track is the best and most
3 consistent track we can put -- put out there. And, again, once
4 the track is built the real starts, and that's how to maintain
5 the track through the different weather conditions that we're
6 going to face at Santa Anita.

7 CHAIRPERSON BRACKPOOL: Commissioner Moss?

8 COMMISSIONER MOSS: Well, I just wanted to make the
9 motion that we waive the provision of CHRB Rule 1433.

10 CHAIRPERSON BRACKPOOL: I think it's fair and
11 appropriate that you should make that motion.

12 Just before I ask for a second, though, I -- I will
13 just ask if there are any other comments from any other
14 Commissioners on the process we've gone through. Commissioner
15 Derek?

16 COMMISSIONER DEREK: Yes. I've spoken about this in
17 the past but I don't -- and I don't know if it's appropriate
18 now. It probably has nothing to do with -- with the waiver.
19 I'm just concerned with all of these horses in California who
20 have probably never been on dirt if it wouldn't be a benefit to
21 have an extra -- another veterinarian, at least at the
22 beginning, just to have help with the pre-race exams maybe.

23 MR. HAINES: Well, if -- if that is recommended
24 that's what we will do. And we work extensively with Dr.
25 Arthur, so we'll work with him on that.

1 COMMISSIONER DEREK: Thank you.

2 VICE CHAIR ISRAEL: Well, and to -- to ease your
3 qualms, the truth is recently a lot of these horses have been
4 on dirt because they've been training at Pomona, which is dirt.
5 And many horses use the back training track here, which is also
6 dirt.

7 COMMISSIONER DEREK: Uh-huh.

8 VICE CHAIR ISRAEL: So there is more familiarity now
9 than there probably had been in the last three years, so --
10 which is a good thing.

11 CHAIRPERSON BRACKPOOL: Commissioner Choper?

12 COMMISSIONER CHOPER: No.

13 CHAIRPERSON BRACKPOOL: Commissioner Rosenberg?

14 COMMISSIONER ROSENBERG: Uh-huh.

15 CHAIRPERSON BRACKPOOL: I -- I think that would be
16 good if you could do that. I think that this just is in the
17 spirit of doing everything we possibly can to demonstrate that
18 safety, safety, safety is the -- is -- is the paramount issue
19 and -- and do that. So, you know, I'd like to -- to do that.
20 And maybe at the conclusion of the meet we can have a report
21 from you on, you know -- well, actually maybe from you, Dr.
22 Arthur, as well, as to the, you know, pros and cons of -- of
23 having an additional vet on -- on -- on location. So I think
24 that would be good if that's something that you could do. Is
25 that acceptable?

1 MR. DARUTY: Yes. That's acceptable.

2 CHAIRPERSON BRACKPOOL: Okay. Then I think that's
3 good.

4 VICE CHAIR ISRAEL: I'll second.

5 CHAIRPERSON BRACKPOOL: Well, Commissioner Moss has
6 made the -- would you like to make it again, Jerry, now that
7 we've interrupted? I'll let you make it again.

8 COMMISSIONER MOSS: Certainly. It's an historic
9 moment. I move that we accept the request from MI Developments
10 to waive the provision of CHRB Rule 1433(b).

11 VICE CHAIR ISRAEL: Second.

12 CHAIRPERSON BRACKPOOL: Seconded by Vice Chair
13 Israel. Let me -- Commissioner Rosenberg, in favor?

14 COMMISSIONER ROSENBERG: Aye.

15 CHAIRPERSON BRACKPOOL: Aye.

16 COMMISSIONER DEREK: Aye.

17 CHAIRPERSON BRACKPOOL: Commissioner Derek, aye.

18 COMMISSIONER CHOPER: Aye.

19 CHAIRPERSON BRACKPOOL: Commissioner Choper, aye. I
20 am an aye. So the motion is carried unanimously. Thank you.

21 MR. DARUTY: Thank you.

22 COMMISSIONER MOSS: Congratulations.

23 VICE CHAIR ISRAEL: And you'll be opening December
24 6th for training?

25 MR. HAINES: We're on -- we're on schedule. Yes.

1 VICE CHAIR ISRAEL: You're on schedule. Great.

2 CHAIRPERSON BRACKPOOL: I -- I would just like to do
3 my impersonation of Barry Broad here by thanking our staff for
4 the time and effort they've put into this. I was kept in touch
5 on a daily basis by Kirk as to what was happening. I know
6 there were multiple visits so this thing was turned around.
7 There's a lot of work gone into this and I'm very proud of how
8 much work has taken place, in addition to the -- in addition to
9 the cooperation. So long may it continue.

10 So now we move to item number ten, and so you have
11 correctly stayed where you are because you're the next item, as
12 well. Discussion and action by the Board regarding a finding
13 pursuant to Business and Professions Code sections 19483 and
14 19484, that MI Developments, Inc. ownership of Santa Anita Park
15 Race Track, Golden Gate Fields and XpressBet better serves the
16 purposes of Business and Professions Code, Division 8, Chapter
17 4, Horse Racing Law.

18 This is, I think, the sixth or seventh time we've
19 heard this issue this year. And I am pleased to report that
20 following the meeting we had in early September at Pomona we
21 had seven outstanding issues that had to be resolved at that --
22 at that meeting. And if I may I would like to briefly
23 summarize for the audience the result of those.

24 The Commissioners have in front of them a letter
25 which is addressed to you, Scott, from Kirk which details

1 the -- the conditions that, I believe, certainly the
2 negotiating parties have -- have agreed to. And I'm just
3 briefly going to summarize those for the audience is to where
4 we got to on the -- on the different issues.

5 The -- the first issue we had talked about was making
6 sure that we got standalone financials for the race tracks sent
7 to us, rather than just MID. I think that was not only
8 critical because of the comparative size of MID compared to
9 Santa Anita, but this is an issue the Commissioner Rosenberg in
10 particular has been good at following up on that we don't have
11 as a licensing requirement at the moment standalone financials
12 for the track. And I think that's unjust to the tracks that
13 operate as sole-purpose entities.

14 So although we put in a condition and we've drafted
15 the condition of the dates that you will send us the
16 financials, etcetera, so that we have them on a go forward
17 basis, one of the things that we're going to be bringing back
18 to the Board in -- was that December, you said?

19 MS. WAGNER: Yes, December.

20 CHAIRPERSON BRACKPOOL: Yeah. One of the things that
21 we're going to be bringing back to the Board in December is a
22 revised licensing application that all applicants are going to
23 have to comply with. And we're going to just -- we're going to
24 put it out for, I guess, a rule change, a notice. But -- but
25 one of the things we're going to be including for certain are

1 standalone financials. There are various other topics that
2 several of us have been talking about that we have to use to
3 get these -- to get these cleanliness conditions and the basic
4 maintenance conditions, etcetera, that we're going to do. But
5 standalone financial will be a part of it, so it will now
6 become a uniform requirement, Commissioner Rosenberg, on --
7 on -- on that issue.

8 On number two, this Board had determined that it
9 would demand a bond, that a cash bond be placed in the event
10 that any payments were not made on an obligated basis by any of
11 the MID entities. We wanted that bond to be out there for a
12 period of time to give everybody confidence that under this new
13 ownership we do have the desired stability. And I think on a
14 critical basis we wanted to make sure that the maintenance of
15 any new surface, that being the surface we've just approved
16 now, was short.

17 And so we negotiated a bond of \$1.75 million that
18 stays in existence for two years. We have numerous call
19 provisions on that if any of the -- the issues are missed by
20 MID. And I think that language is now sufficient to assure
21 ourselves that there will always be the money for maintenance
22 of -- of the track. And that stays out there for two years.
23 And hopefully two years from now the -- the mutual trust
24 between everybody and the -- the understanding of exactly how
25 that track is to be maintained and worked will -- will render

1 the issue moot.

2 Number three were the conditions to maintenance of
3 the new surface. And these are the -- the permanent elevation
4 grades. The regular necessary maintenance provisions including
5 watering, soil testing, soil sampling, etcetera. And so I'm
6 very pleased that we were able to get a comprehensive agreement
7 on those.

8 Number four was an issue that was raised by several
9 horsemen, primarily the TOC, at the -- the last meeting which
10 was would Santa Anita remain open as a training facility during
11 periods where it was not racing live meets. And I'm very
12 pleased to announce that Santa Anita will remain open for
13 training during those meets subject, obviously, to the
14 customary compensation for -- from the SCOTWINC Vanning and
15 Training Fund.

16 Number five was an issue that the conditions of this
17 waiver remain the same at all times, that all three entities
18 are owned by one. And if any of the entities were not to be
19 owned by MID we would revisit this -- this waiver. So I think
20 that was important.

21 Item number six was this Board's desire to see
22 further expansion of the television signal of horse racing.
23 And what we have to come to an agreement on here is that if
24 Santa Anita were to be awarded race dates under any
25 circumstance in addition to the -- the winter meet that they

1 have, then Santa Anita would have to demonstrate to this
2 Board's satisfaction that the television distribution that it
3 has is either significantly increased by virtue of signing up
4 other distribution agreements with cable satellite providers,
5 and if that wasn't the case then they would have to offer
6 the -- the signal on a nonexclusive basis. So I think we've --
7 we've certainly addressed the issue of how more people get to
8 watch our -- our great sport at the Great Race Place.

9 And finally, number seven was the issue that we had
10 with SCOTWINC and NOTWINC, making sure that the monies that
11 were owed to various people were settled. I'm pleased to see
12 that the SCOTWINC funds have been resolved and have been
13 distributed to all of the parties. And we have in here a 90
14 day provision for the remaining NOTWINC issue to be resolved.
15 And if that's not this will be back in front of the Board
16 inside of 90 days.

17 So I think that's a fairly good summary of what was a
18 lot of work and many, many, many conversations, etcetera.

19 I -- I want to point out the obviously, that I don't
20 think you have failed to recognize that members of this Board
21 have no hesitation in criticizing when they feel that they are
22 within their rights to criticize. And I think that MID has
23 certainly been a focus of a lot of that criticism over the
24 course of the last year. But I would also be the first to say
25 that when you have a level of cooperation and a level agreement

1 like this I think it should be recognized, as well.

2 So I would like to thank you and your team for the
3 work that you've put into agreeing to these conditions. I
4 think the combination of these conditions, the new track,
5 the -- the increased prize money that we start the -- the
6 season with leave me with -- with a sense of optimism that I
7 think I would have been hesitant to have been a believer in a
8 few months ago. So I'd like to thank you for that and offer
9 you the chance to respond to anything.

10 MR. DARUTY: Well, first of all, we appreciate the
11 cooperative effort of this Board, as well, in working through
12 these issues. And it's been a long road but I think we're at
13 the end of it. We're happy with -- with the conditions and --
14 and are willing to adhere to them and look forward to a great
15 meet.

16 CHAIRPERSON BRACKPOOL: Well, before I open it up to
17 any comments from Commissioners, I have one speaker wishing to
18 address this item, Jack Liebau.

19 MR. LIEBAU: My name is Jack Liebau and I'm with
20 Hollywood Park. And I've also been extensively involved in the
21 settlement of various mandatory distributions that were not
22 made by Golden Gate Fields and Santa Anita. And I think that,
23 you know, this may be a situation where it's just tough and the
24 fair is not -- the world is not fair. But there was over \$6
25 million of -- of money and distributions that were not made.

1 And, you know, that's water over the dam, so to speak.

2 But I think it should be noted that there are 42
3 entities in California that had claims. Hopefully they have
4 been successful or will be successfully taken care of. But
5 those 42 people collectively are out \$650,000 or more in legal
6 fees. And I guess nothing can be done about it, but it just
7 doesn't seem right that --

8 CHAIRPERSON BRACKPOOL: Is this MEC or MID?

9 MR. LIEBAU: To what?

10 CHAIRPERSON BRACKPOOL: The -- the money --

11 MR. LIEBAU: Well, my point I had, Mr. Chair --

12 CHAIRPERSON BRACKPOOL: Well, I'm asking you a
13 specific question, Jack. Do these \$650,000 owed by 43 people --
14 -- owed by MID that are unresolved --

15 MR. LIEBAU: No. They were --

16 CHAIRPERSON BRACKPOOL: -- claims?

17 MR. LIEBAU: They were claims against MEC, but --

18 CHAIRPERSON BRACKPOOL: I understand. And so this is
19 -- this -- the -- the provisions, as you know, of Federal
20 Bankruptcy Law allow the asset to be transferred to the new --

21 MR. LIEBAU: I understand that.

22 CHAIRPERSON BRACKPOOL: -- purchaser, and that's what
23 we're dealing with here.

24 MR. LIEBAU: I understand that. The tracks are still
25 under the same control they were before the bankruptcy and

1 after the bankruptcy. And all I'm saying is the California
2 entities are out \$650,000, and just noting that. Thank you.

3 CHAIRPERSON BRACKPOOL: Thank you, Jack.
4 Commissioner Derek? Commissioner Rosenberg?

5 COMMISSIONER ROSENBERG: Well, just a compliment to
6 the Chairman and the staff who have worked really hard on this
7 to work with -- with MID, and also to compliment the MID
8 executives who worked on this. I think it's a great
9 accomplishment.

10 COMMISSIONER MOSS: Also, to -- since we're on
11 compliments, the members of the TOC and the CTT to work well to
12 exact this great change. Thank you.

13 VICE CHAIR ISRAEL: And I'd -- I'd like to thank
14 Keith for this hard work on this issue. It became a full-time
15 job for him, and he earned every penny of the \$100 a month that
16 he got paid. He's doing a good job.

17 CHAIRPERSON BRACKPOOL: If there all right --

18 COMMISSIONER CHOPER: I second that.

19 CHAIRPERSON BRACKPOOL: Okay. Right. That's not --
20 that's not a motion. So I'm boringly going to read the
21 motion --

22 VICE CHAIR ISRAEL: No. He --

23 CHAIRPERSON BRACKPOOL: -- into the record.

24 VICE CHAIR ISRAEL: He -- he seconds that motion,
25 you see.

1 CHAIRPERSON BRACKPOOL: Oh. I think he seconded --

2 VICE CHAIR ISRAEL: Jerry -- Jerry understands that.
3 That was Motown song though. Jerry didn't record any Motown.

4 CHAIRPERSON BRACKPOOL: All right. So I would move
5 the -- the following motion: The California Horse Racing Board
6 moves to waive the prohibitions set forth in Business and
7 Professions Code sections 19483 and 19484 as to the ownership
8 of MI Development, Inc. of Santa Anita Park, Los Angeles Turf
9 Club, Inc., Golden Gate Fields, Pacific Racing Association, and
10 XpressBet as the Board finds that the purposes of the Horse
11 Racing Law will be better served, thereby subject to the
12 conditions of the waiver stated in the November 7th, 2010
13 letter addressed to Scott Daruty, MID Developments, Inc. from
14 Kirk E. Breed, Executive Director of the CHRB.

15 VICE CHAIR ISRAEL: November 8th.

16 CHAIRPERSON BRACKPOOL: My letter is the second.

17 COMMISSIONER CHOPER: Second.

18 CHAIRPERSON BRACKPOOL: Commissioner Choper seconds.

19 All in favor?

20 ALL COMMISSIONERS: Aye.

21 CHAIRPERSON BRACKPOOL: The waiver is approved.

22 Thank you. If you'll stay there, item number 12 -- 11, I
23 apologize, is the discussion and action by the Board regarding
24 the amendment to Pacific Racing Association's application for
25 authorization to operate a simulcast wagering facility to

1 update the application to reflect MI Developments, Inc. as the
2 current parent company of the Pacific Racing Association.

3 And in order to move this meeting along, item number
4 12 is the almost identical -- I don't want to steal your
5 spotlight, Robert, but I want to move the meeting along, the
6 discussion and action by the Board regarding the amendment to
7 Los Angeles Turf Club's application for authorization to
8 operate a simulcast wagering facility to update the application
9 to reflect MI Developments, Inc. as the current parent company
10 of LATC.

11 MS. WAGNER: Jackie --

12 CHAIRPERSON BRACKPOOL: So, Jackie, a brief summary,
13 please.

14 MS. WAGNER: Yes. Brief.

15 CHAIRPERSON BRACKPOOL: Brief. Brief.

16 MS. WAGNER: Brief. Jackie Wagner, CHRB staff. This
17 primarily is a formality based on the -- the fact that we have
18 a new ownership of the two racing associations. And the
19 applications are submitted. That's in the package. We have --
20 for PRA we have a couple of items that need to be updated
21 during the course of the term of this application. And we also
22 have a couple of items for Golden Gate Fields that need to be
23 updated, as well.

24 Staff would recommend that the Board adopt the
25 applications as presented.

1 CHAIRPERSON BRACKPOOL: Do you have anything to add
2 to this? I -- this is such a formality as far as I'm concerned
3 that I would move approval of the items. Do I have a second?

4 VICE CHAIR ISRAEL: Second.

5 CHAIRPERSON BRACKPOOL: Commissioner Israel seconds.
6 All in favor?

7 ALL COMMISSIONERS: Aye.

8 COMMISSIONER CHOPER: Yeah. I -- I just wanted to
9 note that it says the Berkeley fire clearance expires on
10 January 14th, 2010. I hope -- I hope that that's a typo.

11 MS. WAGNER: That is a typo. Thank you.

12 COMMISSIONER CHOPER: And I -- I take it --

13 CHAIRPERSON BRACKPOOL: January '11; right?

14 MS. WAGNER: Yes, sir.

15 COMMISSIONER CHOPER: I take it on the two things
16 that -- as someone who sits around there occasionally, the --
17 the two items that need updating, I take it they're not updated
18 because the time is not right for them to come around.

19 MS. WAGNER: That -- That is correct.

20 COMMISSIONER CHOPER: Yeah. Right.

21 MS. WAGNER: And -- and as we go forward with our
22 simulcast wagering facilities they will be submitting new
23 applications to the Board. So we will be updating all of these
24 documents. These two facilities happen to be the first two.

25 COMMISSIONER CHOPER: And then -- and the SCOTWINC

1 simulcast agreement, is a new agreement in?

2 MS. WAGNER: We have not received that yet. But I
3 know that they are working with it and I've been in contact
4 with --

5 COMMISSIONER CHOPER: There should be no problem with
6 that? That -- that is on the -- that's on the Santa Anita --

7 MS. WAGNER: That's correct.

8 COMMISSIONER CHOPER: -- satellite? And I think
9 you -- you did unusually well at getting the stuff that was due
10 in on the due date. But that one would be nice to clean up. I
11 mean, it --

12 MR. DARUTY: Yeah. There's no particular problems.

13 MS. WAGNER: Right.

14 MR. DARUTY: It's just a timing issue.

15 COMMISSIONER CHOPER: Okay.

16 MS. WAGNER: And we --

17 COMMISSIONER CHOPER: Just --

18 MS. WAGNER: -- will follow up to make sure we have
19 all of these documents.

20 MR. MILLER: Ms. Wagner, just for the benefit of the
21 court reporter. You said discussions with SCOTWINC that it was
22 Mr. Barrella (phonetic), is that who you're referring to?

23 MS. WAGNER: Yes.

24 MR. MILLER: Thank you.

25 CHAIRPERSON BRACKPOOL: All right. The motion was

1 approved. The question came after the motion was approved, so
2 the item is over. Thank you.

3 COMMISSIONER CHOPER: Both motions.

4 CHAIRPERSON BRACKPOOL: Both motions, 11 and 12, were
5 both carried unanimously.

6 MR. DARUTY: Thank you.

7 CHAIRPERSON BRACKPOOL: Thank you. We're going to --
8 we're going to -- we're going to take a five minute break
9 before number 13 so that everybody can freshen up. And then
10 we'll commence and get through the rest of this. Thank you.

11 (Off the Record From 11:24 p.m., Until 11:35 p.m.)

12 CHAIRPERSON BRACKPOOL: So we are back. Item number
13 13, discussion and action by the Board regarding the allocation
14 of the Northern and Southern California thoroughbred race dates
15 for 2011.

16 I'm going to start with the North. If I could have
17 Chris Korby and Robert Hartman come up front. While they are
18 walking up front, it is my understanding from correspondence
19 that I have received from Chris Korby from CARF and Robert
20 Hartman from Golden Gate that we have a unanimous agreement on
21 the Northern racing calendar.

22 MR. KORBY: Chris Korby, California Authority of
23 Racing Fairs. Yes, sir, that is correct.

24 CHAIRPERSON BRACKPOOL: Robert?

25 MR. HARTMAN: Robert Hartman, Golden Gate Fields. We

1 wanted to make your life easier today, so we came in with a
2 unanimous agreement. And hopefully the Board will approve it.

3 CHAIRPERSON BRACKPOOL: I'm glad you qualified making
4 my life easier only for one day. But, no, this is -- this is
5 excellent.

6 Would you briefly take us through how we've resolved
7 the issues that were outstanding at -- at the last meeting?
8 It's really the -- that middle part of the calendar was the
9 only part that I think we were --

10 MR. BREED: Part of it.

11 CHAIRPERSON BRACKPOOL: Well, it was for the, also,
12 the -- the -- the earlier fair and whether Alameda was going to
13 take your earlier dates, so the three issues.

14 MR. HARTMAN: Right. So on the Pleasanton issue Mr.
15 Pickering and Mr. Korby and I talked about it and Mr. Pickering
16 decided not to take those dates, and they would revert back to
17 Golden Gate Fields.

18 VICE CHAIR ISRAEL: Which dates were those?

19 MR. KORBY: I think, if I may, we're talking about
20 the dates --

21 CHAIRPERSON BRACKPOOL: In March and April.

22 MR. KORBY: -- the perspective dates in March and
23 April.

24 CHAIRPERSON BRACKPOOL: Remember the issue?

25 VICE CHAIR ISRAEL: Yeah. I know. I remember the

1 issue.

2 CHAIRPERSON BRACKPOOL: Right.

3 VICE CHAIR ISRAEL: I was just wondering what the
4 dates were.

5 MR. KORBY: Not fair dates, but fair dates that would
6 be run at a fair.

7 CHAIRPERSON BRACKPOOL: Right.

8 MR. HARTMAN: On the --

9 CHAIRPERSON BRACKPOOL: So they will remain at Golden
10 Gate?

11 MR. HARTMAN: That's correct. Yes.

12 CHAIRPERSON BRACKPOOL: Right.

13 MR. HARTMAN: On the issues in August regarding the
14 Ferndale meet, we basically split the baby. And Ferndale would
15 run two days un-overlapped, which would be August 17th and
16 18th. On August 19th, 20th and 21st Golden Gate Fields and
17 Ferndale will -- would run at the same time, and there would be
18 a commission split on Friday, August 19th only where we kind
19 of -- so it's basically two-and-a-half days to Ferndale, two-
20 and-a-half days to Golden Gate Fields.

21 CHAIRPERSON BRACKPOOL: Okay.

22 MR. KORBY: I -- I would add to that that -- that San
23 Joaquin County Fair in Stockton is accepting of the one week in
24 June that was proposed at the last meeting.

25 CHAIRPERSON BRACKPOOL: Excellent. So that was the

1 third issue.

2 MR. KORBY: I don't think that was an issue of in --

3 CHAIRPERSON BRACKPOOL: We didn't think it was
4 controversial but we didn't have --

5 MR. KORBY: But just confirmed.

6 CHAIRPERSON BRACKPOOL: -- and affirmative answer --

7 MR. KORBY: Uh-huh.

8 CHAIRPERSON BRACKPOOL: -- at the time. So now we --
9 now we do.

10 MR. KORBY: Now you do.

11 CHAIRPERSON BRACKPOOL: Now we do. Before you leave
12 or ask for comments of the Board, I -- I do have a comment card
13 here from Stuart Titus from Humboldt County Fair.

14 So Stuart, if I could ask you to make your comment.

15 MR. TITUS: Thank you, Mr. Chair -- Mr. Chairman and
16 Members. Stuart Titus, Humboldt County Fair. And on behalf of
17 the Humboldt County Fair Association I'd like to say a few
18 words which we believe are important to our organization.

19 First, we wish to thank the Board for the opportunity
20 it provided our association to conduct for the first time in
21 its history five days of racing not run concurrently with
22 another entity in Northern California. That decision made by
23 the Board on January 15th of this year was truly appreciated by
24 everyone associated with our organization. We wish to publicly
25 thank -- publicly thank you and show our gratitude.

1 At the Board and industry's request we have met with
2 the appropriate parties since the last Board meeting and agreed
3 to a proposal for 2011 which encompasses Humboldt's dates. At
4 the urging of the Board and the industry we have agreed,
5 however reluctantly, to the proposal currently before the
6 Board. While the underlying projections of this proposal
7 suggest a best-case scenario which may return our association
8 to pre-2010 performance levels, we nonetheless stand by our
9 word and are committed to managing the situation to the best of
10 our ability.

11 We're confident that the other parties to the
12 agreement have made a good faith effort, offering Humboldt with
13 at least the theoretical basis upon which it may succeed next
14 August. At the end of the day we have agreed to the proposal,
15 we stand behind our word, and we'll manage the situation to the
16 best of our ability.

17 Thanks to the Board's decision last January the 2010
18 Humboldt County Fair experienced unparalleled success. Our
19 wagering was up 120 -- 116 percent. The ADW increased by over
20 100 percent. And the purses generated by Humboldt increased by
21 about 400 percent. We do not need the \$300,000 in supplemental
22 purse funds to make our races go. In addition, Humboldt
23 generated nearly \$1.8 million in revenues distributed
24 throughout the industry and -- and its designated recipients.

25 We're also proud of the fact that our -- our on-track

1 attendance increased by four percent, drawing over 24,500
2 people, an amount which exceeded the attendance figures for the
3 first ten days of racing at Golden Gate Fields immediately
4 following Humboldt. Humboldt saw its commissions double to
5 just over 520,000, up from 239 -- 239,000 last year and just
6 200,000 the year before. This allowed us to improve our
7 financial status and, again, did not require subsidies from the
8 industry in order to -- to move forward.

9 Available data also suggests that Humboldt's five
10 days of non-overlapped race dates proved beneficial for the
11 first ten days of racing at Golden Gate Fields. Because of the
12 one-week layoff for higher level and turf horses field sizes at
13 Golden Gate Fields saw an increase over those reported from its
14 most recent spring meeting. Wagering was up over 20 percent
15 for that same period, compared to 2009, about \$31 million
16 wagered thus creating improved purses and commissions, as well
17 as revenues generated and distributed throughout the industry.
18 In fact, those distributions appear to have increased to levels
19 significant enough so as to substantially offset if not
20 eliminate the perceived losses to the industry as a result of
21 Humboldt running un-overlapped.

22 When viewed from the cumulative perspective of three
23 weeks rather than just one the Humboldt experiment arguably was
24 a beneficial -- was beneficial to the industry.

25 In addition, if the same methodology used to

1 determine Humboldt's impact to the industry were applied to
2 nearly every other fair where 2010 wagering was down anywhere
3 between 20 and -- 10 and 20 percent we would learn of losses of
4 revenues to the industry at each of those fairs which come
5 close to matching those reported in September for Ferndale.
6 And when applied to the five --

7 CHAIRPERSON BRACKPOOL: I hope there aren't three or
8 four more pages of that to go --

9 MR. TITUS: No.

10 CHAIRPERSON BRACKPOOL: -- Stuart. Thank you.

11 MR. TITUS: All right. In the final analysis
12 Humboldt did its very, very best with the unprecedented
13 opportunity this Board provided it, and words alone can not
14 express our gratitude.

15 We believe that Humboldt brings a lot of value to
16 horse racing in California, offering opportunities for the
17 smaller owner, trainers, jockeys and stables to spend time in
18 the spotlight of horse racing, whereas they don't spend that
19 much time elsewhere.

20 But in closing we would like once again to thank --
21 thank you and express our gratitude for the opportunity you
22 gave us year and remain committed to doing our best with
23 whatever is offered us in the coming year. Thank you

24 CHAIRPERSON BRACKPOOL: Well, Stuart, the only --
25 stay there for one second. The only thing I would add and ask

1 that you -- that -- that -- that you take back is this -- this
2 item was very controversial last year. We had an enormous
3 amount of debate on it earlier this year, I mean, last month.

4 And I know that Robert Hartman described this as
5 splitting the baby. I would like to be more positive about
6 this than splitting the baby. I actually think we may have
7 come up with, you know, with a hybrid here which -- which is
8 the preferred solution which is that, you know, you do have a
9 couple of days which should be a great couple of days, and then
10 you should be financially compensated, which I think we've been
11 able to work out here.

12 I, for one, will be very interested to see what the
13 financial results are for both of you when we're -- when we're
14 done with the --with the meet in 2011. And if there's some
15 tweaking that we can do to -- to further improve it at that
16 state we can. This Board is supportive of continued racing at
17 Ferndale, it's just that the condition it had to be done on was
18 that it couldn't be done at the detriment to -- to horsemen's
19 purses.

20 And so I'd like to think that instead of, you know,
21 splitting the baby we've actually come up here with an improved
22 solution to this and one that will undoubtedly require some
23 further tweaking and be able to do. So we thank you for your
24 cooperation and your board's cooperation on -- on that, as
25 well.

1 Do I have comments? You've put all these dates in
2 your calendar, Commissioner Choper, to attend?

3 COMMISSIONER CHOPER: Not yet.

4 CHAIRPERSON BRACKPOOL: Do I have any other comments?
5 Well, I would make a motion on the -- well, I do have another
6 speaker.

7 Alan, are you trying to speak on the South or the
8 North? The CTT is in agreement with -- well, I should just
9 actually ask you to state that CTT is in agreement with this
10 calendar. And, Guy, I'd like you to do the same. Just name
11 for the record, please.

12 MR. BALCH: Alan Balch, California Thoroughbred
13 Trainers. Yes, we support the calendar as outlined by Mr.
14 Korby and Mr. Hartman and appreciate their efforts and
15 everyone's.

16 CHAIRPERSON BRACKPOOL: Thank you.

17 MR. LAMOTHE: Guy Lamothe, Thoroughbred Owners of
18 California. We approve of this calendar. Thanks.

19 CHAIRPERSON BRACKPOOL: And not hearing objections
20 from other speakers, therefore I would make a motion here as
21 follows: The California Horse Racing Board adopts the 2011
22 racing calendar for Northern California submitted by the
23 Pacific Racing Association in conjunction with the California
24 Association of Racing Fairs.

25 COMMISSIONER ROSENBERG: Second.

1 CHAIRPERSON BRACKPOOL: And Commissioner Rosenberg
2 seconds. All in favor?

3 ALL COMMISSIONERS: Aye.

4 CHAIRPERSON BRACKPOOL: The calendar is approved.

5 MR. HARTMAN: Thank you.

6 CHAIRPERSON BRACKPOOL: Thank you.

7 MR. KORBY: Thank you.

8 CHAIRPERSON BRACKPOOL: And I do thank you both for
9 your diligent efforts on this. It's much appreciated.

10 MR. HARTMAN: Thanks.

11 CHAIRPERSON BRACKPOOL: Thank you.

12 MR. KORBY: Thank you.

13 CHAIRPERSON BRACKPOOL: Let's -- Alan, do you wish to
14 -- to speak on the -- the -- the Southern California thing?

15 And I received a letter, also, from TOC. And because
16 that letter is not part of the public package I'd like you,
17 Guy, to make the same points in -- in here as to said in the --
18 in the letter.

19 So, Alan, why don't you go first?

20 MR. BALCH: Alan Balch, California Thoroughbred
21 Trainers. We've submitted a letter requesting additional time
22 for the fall dates in the South. There are a great many
23 complicated issues. There is -- there is a lot of data to be
24 evaluated, not just as to the Oak Tree situation, but the
25 potential impact of Oak Tree on the current Hollywood meeting.

1 There's also been the added wrinkle of a potential change at
2 Del Mar. All kinds of other issues are -- are in the air. And
3 we just believe and we hope the Commissioners agree
4 respectfully that the more information the better to make the
5 best possible decision as to the fall dates in the South.

6 So we would respectfully request that that be
7 deferred.

8 CHAIRPERSON BRACKPOOL: Okay. TOC?

9 MR. LAMOTHE: Guy Lamothe, Thoroughbred Owners of
10 California. We have been reviewing the figures, as well, from
11 the recently concluded meet. We feel that there's more to be
12 looking at.

13 I'd like to echo what Alan has just said, as well,
14 that there are new wrinkles here with Del Mar coming on. And
15 we'd respectfully request that we put off decision on the fall
16 dates until a future time.

17 CHAIRPERSON BRACKPOOL: Thank you. Do I have
18 comments from Commissioners? Well, let me --

19 COMMISSIONER CHOPER: So -- so long as that is
20 consistent with necessary timing I would make a motion that we
21 set -- set it over until the next appropriate time.

22 CHAIRPERSON BRACKPOOL: Well, I don't want to set
23 over the whole Southern calendar because --

24 COMMISSIONER MOSS: Yeah. I think you got to --

25 CHAIRPERSON BRACKPOOL: -- the next issue in front of

1 us is the licensing of Santa Anita.

2 COMMISSIONER CHOPER: Oh.

3 CHAIRPERSON BRACKPOOL: And I don't -- I think the
4 way we've done -- had these conversations between everybody
5 here is that I think that there is discussion still to be had
6 as to the fall next year. But I don't hear any concern as to,
7 you know, the initial part of the calendar.

8 COMMISSIONER CHOPER: Uh-huh.

9 VICE CHAIR ISRAEL: No. I -- I move that we consider
10 and approve the calendar up to and including the last day of
11 the Del Mar meet, which is Wednesday, September 7th, 2011. And
12 that will free us to consider the balance of September and all
13 of October through December at our subsequent meeting.

14 CHAIRPERSON BRACKPOOL: Yeah. Which I would hope we
15 can do at the -- at the December meeting.

16 COMMISSIONER MOSS: Yeah. And keeping -- keeping in
17 my mind certainly the -- the winter Hollywood dates that
18 they've certainly enjoyed for, you know, a long -- a long time.
19 So, obviously, keeping that in the back of our minds, etcetera.

20 CHAIRPERSON BRACKPOOL: No. I think that's it. I
21 think what we're trying to do is to figure out if there any
22 changes how does that affect the other dates around. I don't
23 think it should be inferred as -- as -- as people --

24 COMMISSIONER MOSS: I agree. I agree.

25 CHAIRPERSON BRACKPOOL: Well, I would, if there are

1 no further comments from Commissioners on that issue --
2 Commissioner Rosenberg? Oh. I would make this motion, that
3 the California Horse Racing Board adopt the 2011 Southern
4 California racing calendar submitted by the Los Angeles Turf
5 Club -- counsel, you have to learn how to spell Angeles -- the
6 Los Angeles Turf Club, Hollywood Park Racing Association and
7 Del Mar Thoroughbred Club through the conclusion of the Del Mar
8 Thoroughbred Club meet --

9 VICE CHAIR ISRAEL: Which is September the 7th, 2011.

10 CHAIRPERSON BRACKPOOL: -- September the 7th, 2011.

11 COMMISSIONER CHOPER: Second.

12 CHAIRPERSON BRACKPOOL: Seconded by Commissioner
13 Choper. All in favor?

14 ALL COMMISSIONERS: Aye.

15 CHAIRPERSON BRACKPOOL: That motion carries. The
16 motion carries. And Alan Balch is going to comment on that.

17 MR. BALCH: Alan Balch again. Understanding what
18 you've just done I think that it needs to be said on the record
19 that sometimes there's confusion in our constituencies as to
20 the allocation of dates versus the number of days to be raced
21 by each association. And that comes up in the license
22 application.

23 I've been asked by our leadership and our members to
24 make it clear that we would -- CTT would very much like the CTT
25 to have a seat at the table, even though we understand that TOC

1 is the official horsemen's organization, when these purse
2 agreement and racing date issues, exactly which days will be
3 raced. Some of the associations are more and other less
4 agreeable to involving CTT in those consultations. And our
5 trainers, of course, feel that they are the closest to the
6 supply of horses, the horse population and conditions for
7 racing four-day weeks, five-day weeks, six-day weeks, and so
8 forth.

9 So we would just like to place that on the record and
10 hope that the associations and the TOC might involve us in
11 that. Thank you.

12 CHAIRPERSON BRACKPOOL: Well, just to be clear on
13 that point, what we've just done is approved the broad
14 calendars --

15 MR. BALCH: Correct. Allocating the dates.

16 CHAIRPERSON BRACKPOOL: Each -- each association will
17 then come back and give us their specific proposals. Those
18 specific proposals will be accompanied by a TOC agreement and a
19 CTT agreement.

20 MR. BALCH: Yes. But --

21 CHAIRPERSON BRACKPOOL: Quite how you get there is
22 individually dependent on your discussions with -- with each.

23 MR. BALCH: Correct. I just didn't want to get up on
24 every application, you know, and make that point just globally.
25 We all understand how it works, I think, here. And to the

1 extent we can be more involved, that would make the application
2 process easier. Thank you for your consideration.

3 COMMISSIONER ROSENBERG: Clarify a point please,
4 Alan. I don't quite understand the distinction. And the
5 Chairman just mentioned that -- that the procedure is for the
6 TOC and the CTT to approve the actual -- have an agreement with
7 the individual licensee.

8 MR. BALCH: Yes.

9 COMMISSIONER ROSENBERG: That's what we approved,
10 that --

11 MR. BALCH: The CTT agreement is separate from the
12 purse agreements. The purse agreement is really the agreement
13 that takes precedence under the existing law.

14 COMMISSIONER ROSENBERG: And the CTT is not a party
15 to the purse agreement; is that what you're saying?

16 MR. BALCH: Correct. And it has a separate agreement
17 that mainly relates to backstretch conditions and so forth.
18 And we would like to be more involved on particularly the
19 number of races days, horse's law issues and so forth that --
20 where we think we can bring some experience to the table to --
21 to assist. Because I think everyone agrees that the last thing
22 we want to see are racing days canceled and schedules changed
23 at the last minute and so forth. That's just harmful to
24 everybody. So -- and there's no foretelling the future.
25 Nobody knows for sure. But if we can involve everybody and let

1 them work together going forward --

2 COMMISSIONER ROSENBERG: Right.

3 MR. BALCH: So thank you.

4 CHAIRPERSON BRACKPOOL: Well, I think your -- your --
5 your comments are well taken, but your comments are to be
6 addressed, frankly, to as many people in the audience as the
7 dais. So I think that's where we are.

8 Item number 14, discussion and action by the Board on
9 the application for license to conduct a horse race meeting of
10 the Los Angeles Turf Club at Santa Anita, commencing December
11 26th, 2010 through April 17th, inclusive.

12 The notation on my agenda is note that these dates
13 have not been allocated as of the date of this notice, but they
14 have been allocated as of the date of this item.

15 MS. WAGNER: That is correct. Jackie Wagner, CHRB
16 staff. The application is from the Los Angeles Turf Club.
17 They've filed the application for December 26th through April
18 17th. It's 76 days. It's two days less than they raced in
19 2010. The race dates have been allocated, as the Chairman just
20 noted. They will be racing four days per week, Thursday
21 through Sunday for the months of January through February, and
22 racing five days per week, Wednesday through Sunday, this is in
23 March and April, with the exception Monday racing on December
24 the 27th and January 17th, February -- and February 21st.

25 The first post time is proposed as one o'clock on

1 weekdays. They will have a 12:30 p.m. post time on weekends
2 and holidays with the following exceptions: On opening day,
3 which is December the 26th, their post time is at 12:00 p.m.;
4 Sunshine millions, which is January the 19th, their post time
5 will be 11:45 in the morning; Super Bowl Sunday, which this
6 year -- excuse me, which in 2011 is February the 6th, they will
7 have an 11:00 a.m. post time; Santa Anita Handicap on March the
8 5th, the post time is 12 o'clock in the afternoon; and Santa
9 Anita Derby, which in 2011 is on April the 9th, their post time
10 is at 12 o'clock in the afternoon.

11 Their ADW providers are XpressBet, Youbet, Twin
12 Spires and TVG.

13 The analysis notes that they are missing their
14 horsemen's agreement and their CTT agreement. I'm pleased
15 to -- to inform the Board that we do have those agreements.
16 They are two documents that need to be updated during the
17 course of this race meeting, that's worker's -- worker's
18 compensation policy and their 2010 vanning and stabling.

19 The staff would recommend that the Board adopt the
20 application contingent upon us receiving the -- the agreements.

21 CHAIRPERSON BRACKPOOL: Well, and I think what we're
22 all interested in hearing is that that agreement with the TOC
23 represents a large percentage increase in overnight purses
24 pursuant to the new legislation; correct?

25 MR. HAINES: Yes. We're looking at a 25 percent

1 increase to the overnight purses due to the -- the takeout
2 increase in the exotics.

3 CHAIRPERSON BRACKPOOL: So what would you add to Ms.
4 Wagner's summary of your application?

5 MR. HAINES: Well, myself and the staff at Santa
6 Anita are very anxious to get back to live racing. We're
7 looking forward to having a great meet. We've had quite a bit
8 of interest in the upcoming meet for whatever reason, but we
9 see the click throughs from other website have increased. Our
10 group sales numbers have increased, or what I saw yesterday was
11 up 64 percent. We think we have some great marketing ideas
12 coming that will generate a lot of interest. Our stake's
13 program is very strong. I think there's a general enthusiasm
14 to get back to Santa Anita. We open on a Sunday, which should
15 be a good opening day. I'm hoping for good weather and a grand
16 opening, as you might say, to launch our meet.

17 So we're -- we're very excited and we want to get --
18 get going as soon as possible. We can't wait.

19 VICE CHAIR ISRAEL: Are you considering trying to
20 race at night at all, bring in temporary lighting in either
21 March or April to see if -- first of all, have you talked to
22 the city about it?

23 MR. HAINES: No. We're preparing to talk to the
24 city, but we are not prepared to go to night racing during the
25 2011 meet, at least the winter meet. We have a lot of work to

1 do at the city. And it's very extensive project to put in the
2 lights also.

3 VICE CHAIR ISRAEL: Okay. Then I have a second
4 question. Your non-overnight stakes, the current meet estimate
5 is 8,050,000. And last year it was 8,591,500. What accounts
6 for the diminution?

7 MR. HARLOW: Mike Harlow, Santa Anita. Actually,
8 that number has changed a little bit. What we've done is we've
9 introduced a few stakes that we had eliminated in the prior
10 year --

11 VICE CHAIR ISRAEL: Right.

12 MR. HARLOW: -- to keep the grade status. So the
13 numbers went up through negotiations with the TOC. However,
14 our net distribution for this upcoming meet is still less
15 than -- than the prior year. So the 8 million you have, it's
16 closer to 8.5 right now.

17 VICE CHAIR ISRAEL: Well, 8.5 is -- is last year's
18 numbers, so --

19 MR. HARLOW: Right. We're -- we're right -- we're --
20 we're very even with last year --

21 VICE CHAIR ISRAEL: Okay.

22 MR. HARLOW: -- but we're still under last year.

23 VICE CHAIR ISRAEL: That's -- good. That's -- so
24 that means there's no reason to diminish that?

25 CHAIRPERSON BRACKPOOL: Right.

1 MR. HARLOW: Right.

2 CHAIRPERSON BRACKPOOL: Could I ask the TOC to
3 comment on this application please?

4 MR. LAMOTHE: Guy Lamothe, Thoroughbred Owners of
5 California. Well, I think we've worked very well with the
6 Santa Anita staff. We appreciate the time and effort they've
7 put in. We're very excited about the new track surface going
8 on, as everybody has talked about. We're excited about the
9 increase and seeing the dramatic increase in the overnights.
10 And I think it was George who mentioned a 25, 26 percent
11 increase in that. So we're in agreement with what is being
12 proposed here today.

13 CHAIRPERSON BRACKPOOL: Thank you. I know one of the
14 -- one of the ongoing issues has been this discussion of, you
15 know, how to get more money now into the stakes races. And
16 I -- I want to point out that Rome wasn't built in a day and
17 that, you know, I actually think we've accomplished a lot over
18 the last few months here.

19 But I really would like everybody to now turn their
20 focus to a real improvement in the -- in -- in the stake's
21 program, whether that be by sponsorship, whether that be by, I
22 don't know, some -- some -- some other efforts there. I think
23 we've got this necessary increase in the overnight purses. You
24 know, 26 percent is a huge shot in the arm, and at the lower
25 levels it's even more than that. I mean, the document that I

1 saw shows at the very lowest level we're up over 40 percent in
2 purses, which is just tremendous to be able to get us back and
3 be -- be competitive and keep, you know, the -- the genuine
4 hardworking people in all aspects of this sport engaged and
5 employed.

6 But I really don't want to rest on our laurels there
7 for a moment. I want to now put the pedal down and get this
8 stake's program going so that we can start really putting on a
9 show for the stars, as well.

10 MR. LAMOTHE: Just a couple more comments to add to
11 what you're saying, Mr. Chairman. On a few key benchmark races
12 we will now be among the top if not the top in the country.
13 And I think the gentlemen in front of you have more details on
14 that.

15 And then the TOC would also like to express our --
16 our -- our gratitude and appreciation for the creativity in --
17 in sponsorship. MID, through the Preakness 5.5 program and the
18 Black Eyed Susan 2.2 bonus program, will be supplementing
19 certain stakes' races for the upcoming meets at LATC and Golden
20 Gate. So we appreciate their efforts.

21 CHAIRPERSON BRACKPOOL: Yeah. And that's the area
22 that I'd just like to see more and more and more of. As I said
23 at the last meeting, I think that's -- that's a really
24 attractive program that is obviously designed for MID's
25 national properties, but I'd like to see some real emphasis,

1 George, on trying to attract -- I mean, I don't know if there's
2 other ways to do it, but title sponsors and -- and other forms
3 of sponsorship for the stakes so that we can really start
4 improving that now.

5 MR. HAINES: Okay.

6 CHAIRPERSON BRACKPOOL: Do you think that's something
7 we can --

8 MR. HAINES: That's something we're working on
9 already. And, you know, we agree with you. We need to -- to
10 shine the light on the stars, and by increasing the stakes'
11 races that's the way to do it.

12 CHAIRPERSON BRACKPOOL: Right. Do I have other
13 comments. Jerry?

14 COMMISSIONER MOSS: No. Generally, it seems like the
15 barn rebuilding program is working and you -- you're -- you're
16 doing pretty good at that and --

17 CHAIRPERSON BRACKPOOL: Do you want to give us a
18 quick update on that?

19 MR. HAINES: Well, the barn rebuilding program has
20 sort of taken a backseat to the track project right now.

21 COMMISSIONER MOSS: Right.

22 MR. HAINES: I'm very concerned about during the live
23 race meet to take over 100 stalls out of the equation until we
24 can really know what we have. So it might be feasible to start
25 the project in April --

1 VICE CHAIR ISRAEL: Uh-huh.

2 MR. HAINES: -- instead of right now because of the
3 construction noise and whatever that we're going to have. And
4 we just need more room back there. So it's sort of a wait and
5 see thing right now. I'm sorry this has been delayed but
6 the -- the track took precedent over that.

7 COMMISSIONER MOSS: Okay. But that's in your --

8 MR. HAINES: Yes, it is.

9 COMMISSIONER MOSS: It's on your schedule; right?

10 MR. HAINES: Yes.

11 COMMISSIONER MOSS: Yeah.

12 VICE CHAIR ISRAEL: And you're engaged in -- in the
13 design and permitting process so you can start promptly in
14 April?

15 MR. HAINES: Yes, we could.

16 VICE CHAIR ISRAEL: Okay.

17 MR. HAINES: It takes about three or four weeks -- or
18 months, 90 days, I'm sorry, and then we'll be able to go right
19 away.

20 CHAIRPERSON BRACKPOOL: Any other comments? Well, I
21 will be more than happy to make a motion to approve this. And
22 I -- I -- since I've been on the Board in the last one year I
23 haven't approved enough or I haven't made a motion to approve
24 an application that I feel so excited about. We've got a new
25 track. We've got a 26 percent increase in overnights. And I

1 think we're going to have -- we'll leave all that corporate
2 stuff behind us.

3 So I would -- I would be enthusiastically making a
4 motion to -- to approve this -- this item. Do I have a second?

5 VICE CHAIR ISRAEL: Second.

6 COMMISSIONER DEREK: Second.

7 COMMISSIONER CHOPER: Second.

8 CHAIRPERSON BRACKPOOL: Second by -- by the entire
9 board. No. Second by Vice Chair Israel. And all in favor?

10 ALL COMMISSIONERS: Aye.

11 CHAIRPERSON BRACKPOOL: And the motion is approved.

12 Have a great meeting.

13 MR. LAMOTHE: Thank you.

14 MR. HAINES: Thank you.

15 CHAIRPERSON BRACKPOOL: Thank you. Item number 15,
16 discussion and action by the Board on the application for a
17 license to conduct a horse race meeting of the Pacific Racing
18 Association at Golden Gate Fields, commencing December 26th,
19 2010 through June 17th, 2011, inclusive.

20 These dates have not been allocated as of the date of
21 this notice, but they have now been allocated pursuant to the
22 previous motion.

23 MS. WAGNER: Jackie Wagner, CHRB staff. The
24 application before you is from the Pacific Racing Association
25 at Golden Gate Fields. They are proposing to race December the

1 26th through June 12th. This is 104 days. It's one day less
2 than they raced in 2010. They will be racing four to five days
3 per week, racing Thursday through Sunday January, February,
4 March, April and June, and will be racing Wednesday through
5 Sunday December -- beginning December 2010 through May 2011,
6 with the exception of racing on Mondays on January the 17th,
7 February the 21st, May 30th and Wednesday, June the 8th.

8 They will be racing eight races weekdays and nine
9 races on weekends and holidays. Their post time, first post
10 time is 12:45 p.m. with the following exceptions: Opening day,
11 December 26th, they will have a 12:15 post; Sunshine Millions
12 Day will be on January the 29th, a 12:00 p.m. post; Super Bowl
13 Sunday they will have an 11:15 a.m. post time; Santa Anita Big
14 Cap Day, March the 5th, a 12:15 post time; Santa Anita Derby on
15 April the 2nd, a 12:15 post time; Kentucky Derby on May 7th,
16 they are proposing an 11:45 a.m. post; Preakness, an 11:45 a.m.
17 post on May 21st; and the Belmont Stakes June the 11th, they
18 will have an 11:45 a.m. post time.

19 Their ADW providers are XpressBet, Youbet, Twin
20 Spires and TVG.

21 The application notes that there are items
22 outstanding. I'm pleased to report we do have the horsemen's
23 agreement, and we have received the CTT agreement. We are
24 still -- need an update on their Berkeley fire clearance, their
25 updated worker's compensation insurance, and their 2010 vanning

1 and stabling contract.

2 PRA has also submitted an amendment to their
3 application addressing their TCO2 that is in the application.
4 And there will be another page submitted, instead of the one
5 that is in your binders.

6 Staff would recommend that the Board approve the
7 application contingent upon us missing -- receiving the missing
8 information.

9 CHAIRPERSON BRACKPOOL: By the time we finish with
10 this you're going to be good at those commercials that you go
11 on television and say 500 words in 10 seconds. We're getting
12 you there, Jackie. We're getting you there.

13 VICE CHAIR ISRAEL: FedEx.

14 CHAIRPERSON BRACKPOOL: Robert?

15 MR. HARTMAN: Robert Hartman, Golden Gate Fields.
16 We're very excited about the -- the upcoming meet. I think
17 some of the -- the excitement that -- that's happening down
18 south in Southern California is going to rub off up -- up
19 north. As you probably know, a lot of our players like to bet
20 on Southern California and -- and we're feeling the excitement
21 about the -- the -- the upcoming Santa Anita meet up there.

22 So I think people are looking forward to it.
23 They're -- they're hoping for larger fields. I think the
24 return to dirt is exciting. So I think that's going to help us
25 in the north, as well.

1 We've launched a new website. We have an integrated
2 marketing campaign planned, television, radio, a lot of direct
3 mail. We're really reaching out to the Asian and Hispanic
4 market. We have hired a new advertising agency that that's
5 their sole focus. That -- that's what they do.

6 And we're also excited about the opening of our first
7 minisatellite in Pleasant Hill, which we're hoping to have open
8 by December 26th. We've also identified two locations in San
9 Francisco that we're going to start the process with, as well.
10 So that would be great. You know, a town like Portland for
11 Portland Meadows has six satellites in Portland and we have
12 zero in San Francisco. So it's something that I know this
13 Board has talked about. And we think we've finally found two
14 locations that -- that will work. Obviously, we need the TOC,
15 CTT, labor, everybody behind us to get that done but -- but
16 we're moving in that direction.

17 COMMISSIONER CHOPER: You need legislation from the
18 city council, you know, the board of supervisors.

19 MR. HARTMAN: We need their sign-off, we need their
20 approval, the city's approval. But I don't think it -- it
21 would take necessarily legislation, but --

22 COMMISSIONER CHOPER: You think you're going to get
23 the approval?

24 MR. HARTMAN: Well, that's the process we need to go
25 through.

1 COMMISSIONER CHOPER: Good luck.

2 MR. HARTMAN: Yeah.

3 COMMISSIONER MOSS: Are these all having to -- I'm
4 sorry. Are these all having to observe the 20 mile thing or --

5 MR. HARTMAN: No. We shouldn't have any problem with
6 that. The San Mateo County Fair, which is within 20 miles of
7 Downtown San Francisco, has waived that 20 mile -- that -- that
8 requirement. So we can place satellites in San Francisco
9 without any competitors objecting.

10 COMMISSIONER MOSS: Fantastic. Great. Great.

11 CHAIRPERSON BRACKPOOL: TOC, again, I'd just like you
12 to speak on this issue.

13 MR. LAMOTHE: Yeah. The issue being the --

14 CHAIRPERSON BRACKPOOL: The horsemen's agreement.

15 MR. LAMOTHE: -- application, the agreement at hand,
16 we've worked cooperatively -- cooperatively with Robert and
17 we're ready to move forward with what we have presented before
18 you. Do you have any specific questions you had for me?

19 CHAIRPERSON BRACKPOOL: No. I'm just -- we don't
20 have the horsemen's agreement in the packet. It's been done
21 subsequently. So that's why I've asked you on this and the
22 other one to step forth and speak now or forever hold your
23 peace.

24 MR. LAMOTHE: We are in agreement with PRA. Right.
25 Thank you.

1 CHAIRPERSON BRACKPOOL: Thank you. Do I have any
2 other comments from any other Commissioners?

3 I have one speaker wishing to speak on this item,
4 Douglas Kempt, Local 280.

5 MR. KEMPT: Thank you, Mr. Commissioner. My -- mine
6 was just -- excuse me. Douglas Kempt, Local 280. Mine was
7 just a question as to whether or not Golden Gate or Santa Anita
8 would offer simulcast wagering on the Wednesdays in January and
9 February. I didn't hear any mention of that.

10 CHAIRPERSON BRACKPOOL: And the answer is?

11 MR. HARTMAN: Yes. We're planning to offer
12 simulcasting on the Wednesdays.

13 CHAIRPERSON BRACKPOOL: Yes.

14 MR. KEMPT: Okay. Thank you.

15 CHAIRPERSON BRACKPOOL: It's -- it's in the
16 application. It's just that we haven't trained Jackie yet to
17 read the entire application --

18 MR. KEMPT: I understand.

19 CHAIRPERSON BRACKPOOL: -- in 64 seconds. But trust
20 me, we're working on it.

21 Commissioner Choper had a point.

22 COMMISSIONER CHOPER: Not on this.

23 CHAIRPERSON BRACKPOOL: No?

24 COMMISSIONER CHOPER: On the second. Well, I was
25 just going to --

1 CHAIRPERSON BRACKPOOL: If it's pursuant to the
2 conversation then --

3 COMMISSIONER CHOPER: All right. I would suggest we
4 agenda an item that would permit satellites to have what --
5 what -- what's been referred to as full-card simulcasting which
6 would permit the satellites to pump in any race track anyplace
7 without a limitation as is done by the ADWs. Mr. Bucalo has
8 been pushing for this and, you know, I don't see any real
9 objection to it.

10 CHAIRPERSON BRACKPOOL: The law.

11 COMMISSIONER CHOPER: And the -- and the --

12 CHAIRPERSON BRACKPOOL: The law is the agreement, but
13 --

14 COMMISSIONER CHOPER: But if it can't be done by rule
15 then we ought to pass a resolution --

16 CHAIRPERSON BRACKPOOL: Well, let's --

17 COMMISSIONER CHOPER: -- recommending legislation.

18 CHAIRPERSON BRACKPOOL: Well, but he -- but, no. But
19 he's saying pass a resolution to the legislature that says that
20 we would be in favor of it.

21 VICE CHAIR ISRAEL: He's suggesting that we motivate
22 the legislature --

23 CHAIRPERSON BRACKPOOL: Yeah.

24 VICE CHAIR ISRAEL: -- to some law.

25 CHAIRPERSON BRACKPOOL: Let's -- let's do this --

1 COMMISSIONER CHOPER: And, well, I think it would be
2 non-controversial. I don't see why --

3 CHAIRPERSON BRACKPOOL: I don't know. But -- but --
4 I don't know, but normally it works. But let's agendize the
5 issue for January and so at the very least we can -- the Board
6 can have a presentation on the issue of who's for it, who's
7 against it --

8 COMMISSIONER CHOPER: Correct.

9 CHAIRPERSON BRACKPOOL: -- what the hurdles are.
10 That's what I think we're trying to accomplish.

11 COMMISSIONER ROSENBERG: Mr. Chairman, is there going
12 to be a December meeting?

13 CHAIRPERSON BRACKPOOL: Yes, there is a December
14 meeting.

15 COMMISSIONER ROSENBERG: Okay.

16 CHAIRPERSON BRACKPOOL: It's December the --

17 VICE CHAIR ISRAEL: The 16th.

18 CHAIRPERSON BRACKPOOL: -- 16th.

19 MS. WAGNER: Thursday the 16th --

20 CHAIRPERSON BRACKPOOL: Thursday the 16th.

21 MS. WAGNER: -- here at Hollywood Park.

22 VICE CHAIR ISRAEL: Well, actually, could I recommend
23 that we actually have it at Santa Anita? Because the track
24 will be in, horses will be training.

25 CHAIRPERSON BRACKPOOL: Well, let's -- let's talk

1 about this. Different issue.

2 VICE CHAIR ISRAEL: Okay.

3 CHAIRPERSON BRACKPOOL: But let's just --

4 VICE CHAIR ISRAEL: All right.

5 CHAIRPERSON BRACKPOOL: Let's just talk about it and
6 then we'll do it.

7 The -- are we trying to speak on this issue?

8 MR. BUCALO: Yes.

9 CHAIRPERSON BRACKPOOL: But this -- this is not --
10 you were trying to speak on Commissioner Choper's --

11 MR. BUCALO: Right.

12 CHAIRPERSON BRACKPOOL: -- issue.

13 MR. BUCALO: Well, I just had one brief thing.

14 CHAIRPERSON BRACKPOOL: You know, John, I've really
15 got to stay on the agenda. What we said is we will agendize
16 it.

17 MR. BUCALO: Okay. Okay.

18 CHAIRPERSON BRACKPOOL: We will put it -- you'll have
19 your comments, please. Okay.

20 So I would make the following motion, if I could find
21 it, about the race dates, but Kirk just took it.

22 MR. BREED: No. You just --

23 VICE CHAIR ISRAEL: We just accept it.

24 CHAIRPERSON BRACKPOOL: Oh, we're just on this one.

25 VICE CHAIR ISRAEL: We're accepting the --

1 CHAIRPERSON BRACKPOOL: Yeah.

2 VICE CHAIR ISRAEL: -- accepting the -- I'll move it.

3 CHAIRPERSON BRACKPOOL: Well, you -- no, we've done
4 that.

5 VICE CHAIR ISRAEL: I move to accept Golden Gates --

6 CHAIRPERSON BRACKPOOL: David Israel --

7 VICE CHAIR ISRAEL: -- race dates allocation.

8 CHAIRPERSON BRACKPOOL: -- makes the motion to
9 approve item number 15 --

10 VICE CHAIR ISRAEL: Right.

11 CHAIRPERSON BRACKPOOL: -- as provided.

12 VICE CHAIR ISRAEL: The application by the Pacific
13 Racing --

14 CHAIRPERSON BRACKPOOL: Right.

15 VICE CHAIR ISRAEL: -- Association to conduct
16 racing --

17 CHAIRPERSON BRACKPOOL: Do I --

18 VICE CHAIR ISRAEL: -- at Golden Gate Fields.

19 COMMISSIONER ROSENBERG: Second.

20 CHAIRPERSON BRACKPOOL: I have a second by
21 Commissioner Rosenberg. All in favor?

22 ALL COMMISSIONERS: Aye.

23 CHAIRPERSON BRACKPOOL: And --

24 MR. MILLER: Subject to the staff recommendation --

25 CHAIRPERSON BRACKPOOL: Yeah. So of the --

1 MS. WAGNER: Of the outstanding items.

2 CHAIRPERSON BRACKPOOL: Of the outstanding items.

3 Yes.

4 MR. HARTMAN: Thank you.

5 CHAIRPERSON BRACKPOOL: Thank you very much.

6 Item number 16 is discussion and action by the Board
7 on the application for a license to conduct a horse race
8 meeting of the California Exposition and State Fair Harness
9 Association, the Cal-Expo commencing December the 30th, 2010
10 through June 18, 2011, inclusive.

11 MS. WAGNER: Jackie Wagner, CHRB staff. This is the
12 application for Cal-Expo Harness. They are proposing to race
13 in 2011 from December the 30th through June 18th. This is 75
14 days. It's five more days than they raced in -- during the
15 same period in 2010. They will be racing three nights per
16 week, Thursday through -- Thursday through Saturday. Their
17 first post time is 5:45 p.m. Their ADW providers are Youbet,
18 XpressBet, Twin Spires and TVG.

19 The application notes that we have a fire clearance
20 that's outstanding. And I am pleased to report I have received
21 that. We are still missing the final stake's schedule. And
22 staff would recommend that the Board approve the application,
23 contingent upon us receiving the missing items.

24 CHAIRPERSON BRACKPOOL: Do we have somebody from Cal-
25 Expo here? Dave?

1 MR. ELLIOTT: Dave Elliott from Cal-Expo. I -- I --
2 I'm ready to answer any questions that you may have. That's --

3 CHAIRPERSON BRACKPOOL: Well, then you should sit
4 down in case we do --

5 MR. ELLIOTT: Okay.

6 CHAIRPERSON BRACKPOOL: -- have questions for you. I
7 wouldn't want you to come all this way down south and not be
8 prepared to sit down.

9 MR. ELLIOTT: Okay. Thank you. I -- I may want to
10 add, there are representatives here from the California Harness
11 Horsemen's Association and the California Standardbred Sires
12 Stakes Committee, and they can speak to what appears to be the
13 draft stake's schedule that's in your packet. It -- it just
14 hasn't been formalized yet. There's no problems with it at
15 all, but they can speak to that if they so wish.

16 CHAIRPERSON BRACKPOOL: Okay. Do I have questions
17 from --

18 COMMISSIONER DEREK: I have one question.

19 CHAIRPERSON BRACKPOOL: -- Commissioners?
20 Commissioner Derek?

21 COMMISSIONER DEREK: Thank you. We amended whip
22 rules. Will they be applying in this new -- new meet and --

23 MR. ELLIOTT: Well, I don't think we're official.
24 And we have already set a house rule.

25 COMMISSIONER DEREK: You did?

1 MR. ELLIOTT: So we've started in -- with the fall
2 meet that began on August 15th. We have -- we have provided
3 text to the Horse Racing Board on what we feel should be the
4 new whip rules for harness racing. But we've already
5 instituted a policy with a house rule.

6 COMMISSIONER DEREK: Right.

7 MR. ELLIOTT: The stewards have been very helpful
8 in -- in taking care of that, helping us with that.

9 COMMISSIONER DEREK: How has it been? How is it?

10 MR. ELLIOTT: There was some getting used -- some of
11 the -- the drivers had to get used to it at first. But they --
12 they've basically -- it's -- it's okay now. It's -- I watch
13 usually every single race. And the stewards are either calling
14 me or I'm calling them regarding -- there -- there have been
15 some fines handed out and the guys, they've gotten the message.
16 The whip rule, if I may, the harness racing whip rule almost
17 mirrors the Indiana whip rule which is -- which is a pretty
18 good rule.

19 CHAIRPERSON BRACKPOOL: Could I just ask what our
20 process is with the rule change? Where are we on that, Jackie?

21 MS. WAGNER: We're still working on the -- on the
22 language. We're going to probably be getting that out for 45
23 days very shortly because there was some -- some discrepancies
24 in terms of exactly what the language was going to look like at
25 the last meeting that we talked about it. So we will finalize

1 that, and I will be in contact with Commissioner Derek.

2 VICE CHAIR ISRAEL: Well, I'm just curious, how do
3 you impose fines with the -- with -- when you're imposing fines
4 based upon a house rule.

5 MR. ELLIOTT: We --

6 VICE CHAIR ISRAEL: Is it unilateral from you or --
7 I'm just saying, what's the process?

8 MR. ELLIOTT: The -- the stewards -- we inherited
9 this.

10 VICE CHAIR ISRAEL: Oh, the stewards do it? Okay.

11 MR. ELLIOTT: The stewards do it. We -- we're not --
12 we're not doing it. The stewards do it.

13 VICE CHAIR ISRAEL: Yeah. Okay.

14 MR. ELLIOTT: They've been very helpful.

15 VICE CHAIR ISRAEL: Okay.

16 CHAIRPERSON BRACKPOOL: Yeah. There are no speakers
17 on this issue. Any other comments from Commissioners?

18 COMMISSIONER ROSENBERG: So moved.

19 CHAIRPERSON BRACKPOOL: I have a motion to approve by
20 Commissioner Rosenberg.

21 COMMISSIONER DEREK: Second.

22 CHAIRPERSON BRACKPOOL: I have a second by
23 Commissioner Derek. I have a Commissioner walking to get
24 coffee who says he's in favor. All in favor?

25 ALL COMMISSIONERS: Aye.

1 CHAIRPERSON BRACKPOOL: The meet is approved. Have a
2 good meet.

3 MR. ELLIOTT: Thank you.

4 CHAIRPERSON BRACKPOOL: We've come to the last --
5 well, the last public issue of the day, the discussion and
6 application -- discussion and action by the Board on the
7 application for a license to conduct a horse race meeting of
8 the Los Alamitos Quarter Horse Racing Association at Los
9 Alamitos Race Course, commencing January the 1st, 2011 through
10 December the 18th, 2011, inclusive.

11 MS. WAGNER: Jackie Wagner --

12 CHAIRPERSON BRACKPOOL: And we're joined by Rick.
13 Please take a seat at the table.

14 MS. WAGNER: Jackie Wagner, CHRB staff. This is the
15 application from the Los Alamitos Quarter Horse Racing
16 Association. And they're proposing to race January 1, 2011
17 through December the 18th, 2011. This is 151 days. It's 52
18 days less than they raced in 2010. These are the allocated
19 race dates that were allocated to Los Alamitos.

20 They are proposing to race three nights per week,
21 Wednesday through Sunday, except February the 6th, 2011. They
22 will have 7 to 16 live races per night and 8 to 16 simulcast
23 races. Their first post time is proposed at 7:00 p.m. in the
24 evening on Fridays and Saturdays, and a 5:30 p.m. post on
25 Sunday. Their advanced deposit wagering provider is TVG.

1 The application is noting that the horsemen's
2 agreement is outstanding. I'm pleased to report that we have
3 received that horsemen's agreement. There are two documents
4 that need to be updated during the course of this race meeting,
5 and that would include the fire clearance and the worker's
6 compensation insurance. Staff will be in contact with Los Al
7 to retrieve those documents and would recommend that the Board
8 adopt the application, contingent upon us getting those updated
9 documents.

10 MR. ENGLISH: Good -- good afternoon. Rick English
11 representing Los Alamitos. I'd be happy to try to respond to
12 any questions you might have.

13 COMMISSIONER CHOPER: I -- can --

14 MR. ENGLISH: I would note one --

15 COMMISSIONER CHOPER: I'm sorry.

16 MR. ENGLISH: I would note that although we did apply
17 for this -- in the current year we're only racing 156 days, so
18 it's not as a dramatic reduction as we thought. The deduction
19 is due to the fact we had to go to a three day race week
20 because of the horse population.

21 COMMISSIONER CHOPER: That was my question.

22 MR. ENGLISH: Yeah. We've reduced it.

23 COMMISSIONER CHOPER: Exactly. You've answered the
24 question.

25 MR. ENGLISH: Thank you.

1 COMMISSIONER CHOPER: You're a mind reader.

2 CHAIRPERSON BRACKPOOL: Well -- well, Commissioner
3 Choper, just for the audience's benefit --

4 COMMISSIONER CHOPER: I was going to add --

5 CHAIRPERSON BRACKPOOL: -- why don't you ask what
6 question you asked --

7 COMMISSIONER CHOPER: That -- that --

8 CHAIRPERSON BRACKPOOL: -- and what the answer was.

9 COMMISSIONER CHOPER: Whether the reduction in days
10 was the result of reducing the daily schedule -- I mean, the
11 weekly schedule by one day.

12 MR. ENGLISH: Yes, it was.

13 COMMISSIONER CHOPER: And because of the horse -- the
14 horse problem.

15 MR. ENGLISH: Correct.

16 CHAIRPERSON BRACKPOOL: Issue.

17 COMMISSIONER CHOPER: Issue.

18 VICE CHAIR ISRAEL: And it's -- it's 151 days is
19 accurate, Rick?

20 MR. ENGLISH: Yes, it is.

21 CHAIRPERSON BRACKPOOL: I -- I would move to approve.
22 My -- my sole issue here is that this application is for one
23 year. And what we're going to be doing at the December meeting
24 is discussing some additions that we wish to have to the
25 application process. Those additions, and more -- more

1 additions may be suggested by the Commissioners when we have
2 the meeting. I, for one, would like to see the requirement for
3 the standalone financials. And I, for one, would like to see
4 some minimum standards that we agree to for, you know,
5 cleanliness, jockey safety. There -- there are various issues
6 like that that -- that -- that we think are perhaps missing in
7 the -- in the application.

8 And my only hesitation is this is the only meet that
9 we approve for an entire year, and therefore it's very
10 difficult to catch up with any of those things. What I
11 wouldn't want to see us do --

12 VICE CHAIR ISRAEL: Well, Cal-Expo.

13 COMMISSIONER DEREK: -- is have some -- have some --
14 no. No. Cal-Expo goes through June.

15 VICE CHAIR ISRAEL: Oh, June. You're right.

16 CHAIRPERSON BRACKPOOL: What I wouldn't want to do is
17 to see this Board in be it, you know, December or January adopt
18 some addition standards that it believes should be included in
19 the licensing application, and then for Los al we have to wait
20 an entire year to be able to catch up with those.

21 So help me, Counsel, on how we can -- we can do that.

22 MR. MILLER: You could make a motion approving the
23 application subject to revisiting the application, say in the
24 month of March.

25 COMMISSIONER CHOPER: I would say specifically in

1 respect to new requirements that are going to be placed, any
2 new requirements --

3 CHAIRPERSON BRACKPOOL: Requirements that are placed
4 on other applicants --

5 COMMISSIONER CHOPER: Yeah. Yeah. That's right.

6 CHAIRPERSON BRACKPOOL: -- and -- and -- and do that.

7 COMMISSIONER CHOPER: So we know why we're doing it.

8 MR. MILLER: And -- and that there's uniformity.

9 Excuse me. Robert Miller, Counsel.

10 CHAIRPERSON BRACKPOOL: Yes. There would be uniform
11 applications that are going to be out there.

12 COMMISSIONER CHOPER: Yes. I said that.

13 CHAIRPERSON BRACKPOOL: But I just didn't -- wouldn't
14 want you exempted for a period as long as a year if we brought
15 in, for instance, some -- some minimum standards that, you
16 know, that pertain to a certain issue.

17 MR. ENGLISH: We're -- we'd be happy to comply with
18 any standards for other associations.

19 COMMISSIONER CHOPER: Okay. That will work.

20 CHAIRPERSON BRACKPOOL: Okay. Then I think I would
21 like to make a motion. Why don't you make the motion? No. I
22 would like to make a motion that this calendar be approved as
23 applied for, subject to this Board's ability to impose --

24 MR. MILLER: Uniform.

25 CHAIRPERSON BRACKPOOL: -- uniform conditions that

1 are voted on by this Board subsequent to this meeting --

2 MR. MILLER: Yeah.

3 CHAIRPERSON BRACKPOOL: -- that would --

4 MR. MILLER: Subsequent to this meeting that apply to
5 all racing associations --

6 CHAIRPERSON BRACKPOOL: -- that apply to all racing
7 associations.

8 MR. MILLER: -- horse racing associations.

9 VICE CHAIR ISRAEL: You may want to change that a
10 little bit. Because I don't think all of the fairs are going
11 to be subject to the exact same -- and I don't know whether
12 they're considered racing associations or not.

13 MR. MILLER: There's -- CARF is considered a racing
14 association.

15 VICE CHAIR ISRAEL: Yeah. But each -- each fair
16 application is approved separately.

17 MR. BREED: Yes. Yes.

18 CHAIRPERSON BRACKPOOL: Right. Right.

19 MR. BREED: Exactly.

20 CHAIRPERSON BRACKPOOL: It's approved separately.

21 VICE CHAIR ISRAEL: So --

22 MR. MILLER: CARF is the racing association. So you
23 could accept CARF.

24 CHAIRPERSON BRACKPOOL: No. That wouldn't --

25 VICE CHAIR ISRAEL: Yeah.

1 CHAIRPERSON BRACKPOOL: These guys have certain
2 exemptions that --

3 VICE CHAIR ISRAEL: You need to --

4 CHAIRPERSON BRACKPOOL: -- that other facilities
5 don't. So perhaps I could put in those that are considered the
6 permanent --

7 COMMISSIONER CHOPER: Yeah. I think the record shows
8 that we've had a statement of consent to similarly situated
9 race track agreement for uniform rules.

10 CHAIRPERSON BRACKPOOL: Yeah. That's correct.

11 COMMISSIONER ROSENBERG: Second that.

12 CHAIRPERSON BRACKPOOL: I -- I will -- I will rely on
13 the great professor to --

14 COMMISSIONER CHOPER: No. No. No. No. We're
15 relying on it because it's a consent given in advance --

16 CHAIRPERSON BRACKPOOL: Exactly.

17 COMMISSIONER CHOPER: -- on the record.

18 CHAIRPERSON BRACKPOOL: All right. So I make the
19 motion to -- to approve. Commissioner Rosenberg has seconded.
20 All in favor?

21 ALL COMMISSIONERS: Aye.

22 CHAIRPERSON BRACKPOOL: The application is approved.

23 COMMISSIONER ROSENBERG: You got to remember, on this
24 subject, the best example of this issue, of individual
25 financial statements, is that the Quarter Racing, Inc. and

1 subsidiaries have submitted their statements. I mean, we don't
2 even have any idea who the subsidiaries are, do we? Do you
3 know who they are?

4 MR. ENGLISH: Yes, I do. The subsidiaries are Los
5 Alamitos Race Course which operates the physical plant, and Los
6 Alamitos Quarter Horse Racing, Inc. which operates the meet.
7 So our financial statements include all of our horse racing
8 operations and only our horse -- horse racing operations.

9 COMMISSIONER ROSENBERG: That's effective.

10 CHAIRPERSON BRACKPOOL: So by -- by -- by complete
11 coincidence you happened to have fallen under that. But it
12 could have been the case that it could have been exempt. That
13 was the Commissioner's point.

14 COMMISSIONER ROSENBERG: Yeah.

15 CHAIRPERSON BRACKPOOL: But yours could have included
16 (inaudible). That's where it would become uniform.

17 That concludes the -- the agenda items through closed
18 session. This Board will now go into closed session, and we
19 will come back to close this meeting. We will see everybody
20 again on December the 16th. I thank you.

21 (Thereupon the California Horse Racing Board Regular
22 Meeting went into a Closed Session at 12:26 p.m.,
23 then was adjourned.)

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TRANSCRIBER'S CERTIFICATE

I, Martha L. Nelson, attest that the foregoing proceedings were transcribed to the best of my ability.

I further certify that I am not a relative or employee of any attorney of the parties, nor financially interested in the action.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated this 13th day of November, 2010.

 /s/ Martha L. Nelson

Martha L. Nelson, CERT